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CONTENTS

Eastern Europe

Vol II No 251 *28 December 1984*

ALBANIA

Deputy Foreign Minister Plaka Meets Italy's Corti B 1
Trade, Cultural Ties Discussed B 1
Rome ANSA Coverage [cross-reference] B 1

BULGARIA

Reportage on Visit of Ethiopia's Mengistu C 1
Zhivkov Speaks at Dinner C 1
[RABOTNICHESKO DELO 23 Dec]
Mengistu Speaks at Dinner C 4
[RABOTNICHESKO DELO 22 Dec]
Leaders See Mengistu Off C 5
[RABOTNICHESKO DELO 25 Dec]

CZECHOSLOVAKIA

Leaders Offer Condolences on Death of Ustinov D 1
[RUDE PRAVO 24 Dec]
Strougal Discusses CEMA Economic Coordination D 1
[WORLD MARXIST REVIEW]

GERMAN DEMOCRATIC REPUBLIC

Krolikowski on International Relations E 1
[MAGYAR HIRLAP 14 Dec]
1985 Trade Protocol Signed With Poland E 3
[NEUES DEUTSCHLAND 22-23 Dec]

POLAND

Popieluszko Trial Underway; Testimony Begins G 1
Court Rejects Warsaw Motion G 1
Charges Presented G 1
Accused Pekala Testifies G 1
Barcikowski Addresses Central Committee Plenum G 3
[TRYBUNA LUDU 22-23 Dec]
Sejm Session Focuses on Economic Issues G 18
Speakers Discuss Budget G 19
Economy Offers Hope G 20
Gorywoda Addresses Session G 20

ROMANIA

Zhivkov Speaks at Romanian-Bulgarian Rally H 1
Ceausescu, Olteanu Meet With USSR's Kulikov H 7
Hungarian, German Councils Endorse RCP Policy H 7
Defense Minister Olteanu Cables SFRY Counterpart H 9
[SCINTEIA 22 Dec]

YUGOSLAVIA

Mamula Interviewed by VJESNIK for Army Day	I 1
Kosovo Delegation Withdraws Budget Reservation	I 12
Assembly Adopts Social Compact on Employment	I 12
Trade Union Official on Economic Priorities	I 12
UN Envoy Comments on General Assembly Session	I 13

DEPUTY FOREIGN MINISTER PLAKA MEETS ITALY'S CORTI

Trade, Cultural Ties Discussed

AU222003 Tirana Domestic Service in Albanian 1900 GMT 22 Dec 84

[Text] During its stay in Rome, the delegation of the Ministry of Foreign Affairs of the People's Socialist Republic of Albania led by Deputy Minister Sokrat Plaka held talks with the delegation of the Ministry of Foreign Affairs of the Republic of Italy led by Under Secretary of State Bruno Corti. The talks covered a number of questions pertaining to the further development of relations between the two countries and certain problems pertaining to the international political situation.

Both sides expressed pleasure at the fact that these relations are developing in a spirit of understanding and good-neighborliness in various fields of mutual interest. Both sides also expressed their readiness to further promote bilateral relations, particularly in the fields of trade, culture, and other fields of mutual interest.

The delegation of the Ministry of Foreign Affairs of the People's Socialist Republic of Albania was also received by (Carla Molfa), chairman of the Foreign Affairs Committee of the Chamber of Deputies. The delegation also visited the Institute for Industrial Reconstruction, the National Electricity Board, and various educational and cultural institutions. During these meetings and visits Bashkim Dino, ambassador extraordinary and plenipotentiary of the People's Socialist Republic of Albania to Italy, was also present, as well as Francesco Carlo Gentile, ambassador extraordinary and plenipotentiary of the Republic of Italy to Albania.

[Tirana Domestic Service in Albanian at 1900 GMT on 26 December reports: "The delegation of the Ministry of Foreign Affairs of the People's Republic of Albania led by Sokrat Plaka, deputy minister of foreign affairs, returned home today."]

Rome ANSA Coverage

For Rome ANSA coverage of the visit to Italy by First Deputy Foreign Minister Sokrat Plaka and his meeting with Italy's Foreign Under Secretary Bruno Corti, see the Italy section of the 26 December Western Europe DAILY REPORT and subsequent issues.

REPORTAGE ON VISIT OF ETHIOPIA'S MENGISTU

Zhivkov Speaks at Dinner

AU241516 Sofia RABOTNICHESKO DELO in Bulgarian 23 Dec 84 p 2

[Speech given by Todor Zhivkov, BCP Central Committee general secretary and State Council chairman, at official dinner given in honor of Mengistu Haile Mariam, Worker's Party of Ethiopia Central Committee general secretary, on 21 December in Sofia]

[Text] It is with great pleasure and with all my heart that I welcome Comrade Mengistu Haile Mariam, general secretary of the Workers Party of Ethiopia [WPE] Central Committee, chairman of the Provisional Military Administrative Council of Ethiopia, and commander in chief of the Revolutionary Armed Forces of Socialist Ethiopia, who is staying with us.

I welcome him on behalf of the Bulgarian party and state leadership and on behalf of all Bulgarian working people.

I greet him and the comrades accompanying him as our dear and most welcome guest.

Esteemed Comrade Mengistu, only 3 months ago we celebrated the 40th anniversary of the socialist revolution in our country. This anniversary became an opportunity to assess our achievements attained throughout 4 decades of freedom. We ascertained that in this period our people have achieved considerable successes in our industrial and agricultural development, as well as in the cultural sector.

This is a result of all our people's constructive efforts under the leadership of the BCP, which is a leading political force in our society in the struggle for the construction of socialism.

The BCP led us to the historical victory of 9 September 1944. It rallied our people along the path of a new life. It is leading us forward today in building developed socialism and in implementing the tasks assigned to us by the 12th BCP Congress. The universally valid principles of Marxism-Leninism and their creative application by the BCP are the original source of all our successes in the past, and are a guarantee for our further development. We must immediately add that Bulgaria's achievements as we see them today would not have come about without the fraternal cooperation of the other socialist countries, above all, the Soviet Union.

While we celebrated the anniversary of our socialist revolution, a great event also took place in Ethiopia, an event which I would call historical, and not only for Ethiopia. The WPE was established and a Marxist-Leninist vanguard of the Ethiopian people came into existence. Dear comrades, I would like to assure you that the Bulgarian Communists are following with great attention and fraternal solidarity every step of the Ethiopian revolution and the complicated process of your socioeconomic transformation, your difficulties, and your struggle. We are also rejoicing in a fraternal manner at the successes achieved, at the decision to establish the Commission for Organizing the Party of the Working People of Ethiopia [COPWE], which began a thorough preparation for the establishment of a Marxist-Leninist party of the Ethiopian working people. Establishment of the WPE represents a reliable guarantee for the further correct development of your country, because only on the basis of Marxism-Leninism can we carry out the tasks we have assigned ourselves. I take advantage of this opportunity to congratulate Comrade Mengistu, the distinguished son of Ethiopia and Africa and our great friend, on the occasion of his election to the post of general secretary of the WPE Central Committee.

Dearest Comrade Mengistu, although you are visiting Bulgaria in the winter, I hope that you and your comrades will not feel the low temperature because the degrees of friendship and cordiality with which we greet you are high. I think you are convinced that these feelings are mutual. The relations between the People's Republic of Bulgaria and Socialist Ethiopia are developing along ascending lines in the spirit of the Friendship and Cooperation Treaty, a document based on the principles of Marxism-Leninism and proletarian internationalism. I believe that this new meeting of ours will contribute to future and even more useful mutually advantageous cooperation in various sectors. I am convinced that the agreement between our two fraternal parties that will be signed will play its role as one of the most important levers in strengthening Bulgarian-Ethiopian friendship. I would like to assure you that we are ready, together with you, to search for, uncover, and implement new opportunities for the further development of bilateral relations in the interests of both our peoples.

In the process of building socialism our country went through many difficulties and trials. We are still meeting difficulties along our path, and they are not minor difficulties. This is precisely why we understand the tremendous difficulties you are facing and overcoming. This is precisely why, according to our possibilities, we have assisted and are assisting the people of Ethiopia and why we are following with full understanding the measures that the party and state leadership of your country, headed by Comrade Mengistu, are promoting in order to overcome the exceptionally severe calamities orginating from the greatest drought of the century.

Esteemed Ethiopian friends, the People's Republic of Bulgaria and Socialist Ethiopia are coping with the tasks facing them in a complicated and tense international atmosphere. The political atmosphere in the world as a whole, and in various areas, including Europe and Africa, is unfavorable. The reason for this is the confrontation and arms race imposed by certain imperialist circles in the United States and within NATO aimed at disrupting the existing military-strategic parity to their own advantage, and the efforts of these circles to achieve military superiority and conduct policy from the position of strength. The attempts of imperialism are hopeless and unfeasible because we, the members of the Warsaw Pact, will not permit this. By adopting the well-known reciprocal measures with which we responded to the deployment of new American nuclear missiles in certain West European countries, we proved that the balance of power cannot be disrupted to our detriment and that our security can be reliably defended. We, the Warsaw Pact member-countries, submitted a large-scale program to rescue and consolidate worldwide peace. We proposed the adoption of specific measures for stopping the arms race and for consolidating peace, security, and cooperation. This large-scale program in the interests of all mankind can be implemented if the West manifests readiness for negotiations, which, however, should be conducted solely on the basis of equal rights and equal security. At the initiative of the Soviet Union an agreement has already been reached to begin negotiations with the United States. These negotiations are likely to encompass the problems of limiting nuclear weapons, as well as questions of preventing the militarization of outer space. As we see, these are an absolutely new kind of negotiations as to their character and scope, in which the question of not admitting an arms race in space is assuming a basic, I would even say, prevailing importance. The Soviet Union declared its readiness to adopt most drastic decisions. If, this time, the United States adopts realistic stands, then we could be more optimistic concerning the fate of world peace.

The People's Republic of Bulgaria has conducted and will conduct an active, consistent, and peace-loving foreign policy; the proofs of this are well-known. For the sake of peace, understanding, and cooperation among peoples, regardless of their social systems, we are always ready to conduct an overt and constructive dialogue on all issues whose solution will increase trust in interstate relations and help avert a thermonuclear conflict

At the same time we cannot fail to assess the fact that imperialism is presently provoking tension in various parts of the world.

The Middle East crisis continues, the countries of Indochina are still the target of imperialist intrigues; the undeclared war against Nicaragua has not ended. Imperialism has switched to a policy of total pressure in Africa, taking advantage of its entire arsenal of tested methods such as political blackmail, economic pressure, the inciting of separatism, ethnic conflicts, and hostilities. The goal of imperialism is to involve the African Continent in its own military strategic plans and to strengthen its positions wherever possible, as well as to restore those it has lost. Colonialism in Africa, in general, has been eliminated, but neocolonialism has replaced it. The Republic of South Africa [RSA], this fortress of imperialism in Africa, with the assistance of the United States and other Western countries is trying to impose a neocolonialist solution in relation to the question of Namibia's independence and to destroy the armed struggle being waged against apartheid and racism. The Pretoria regime is grossly interfering in the domestic affairs of independent African states. We support the struggle of the people in the RSA waged under the leadership of the African National Congress against apartheid and racism, and for democracy and freedom. We are in solidarity with the struggle of the Namibian people for national independence, which they are waging under the leadership of their only legitimate representative, the South-West African People's Organization [SWAPO].

Comrade Mengistu, I have already stated that the People's Republic of Bulgaria and its people are supporting the struggle of the Ethiopian people for a brighter future. I would like to stress that we highly appreciate the position based on principle and the role played by your country in the Nonaligned Movement, as well as in the OAU, in particular, for the consolidation of this organization and for preserving its anti-imperialist orientation. The recently concluded 20th session of the OAU in Addis Abbaba to whose successful implementation, you, Comrade Mengistu, particularly contributed, confirmed the support of the African states for the struggle waged by the oppressed peoples against colonialism and neocolonialism. A constructive contribution, which is gratefully assessed by all the progressive people of the world, was also made by the appeal launched from the OAU rostrum in relation to the transformation of Africa into a nuclear-free zone and the transformation of the Indian Ocean area into a zone of peace.

We believe in the victory of the cause of peace. The socialist countries, the newly liberated countries, peoples struggling for freedom, the national liberation and other movements, the peoples in capitalist countries, and all democratic and progressive members of mankind are marching under the banner of peace.

Comrades, in expressing once more my confidence that the present visit of Comrade Mengistu Haile Mariam to the People's Republic of Bulgaria will contribute to the further consolidation and intensification, and expansion of our friendly relations, I propose the following toast:

-- To the heroic people of Socialist Ethiopia, to their progress and further successes!

-- To the friendship between the BCP and the WPE, between the People's Republic of Bulgaria and Socialist Ethiopia, and between our two peoples!

-- To the health of Comrade Mengistu, general secretary of the WPE Central Committee, chairman of the Provisional Military Administrative Council, and commander in chief of the Revolutionary Armed Forces of Socialist Ethiopia!

Cheers!

Mengistu Speaks at Dinner

AU241651 Sofia RABOTNICHESKO DELO in Bulgarian 22 Dec 84 p 2

[Speech by Mengistu Haile Mariam, general secretary of the WPE Central Committee chairman of the Provisional Military Administrative Council, and commander in chief of the Revolutionary Armed Forces of Socialist Ethiopia, at 21 December dinner in Sofia given in his honor by Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council]

[Text] Comrade Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council of the People's Republic of Bulgaria, comrades: First of all I would like to express our cordial gratitude for the invitation addressed to us by the BCP and the Bulgarian Government to visit your country, and for the warm and friendly hospitality rendered to us upon our arrival.

We note with satisfaction the constant development and expansion of our countries' relations, which are based on solid foundations. I am convinced that our present visit will facilitate the further strengthening of our cooperation in various areas of life.

I would like to take this opportunity to express the deep gratitude of the WPE and the Ethiopian Government and people for the comprehensive help and assistance rendered to us by the BCP and the Bulgarian Government and people from the first days of our revolution.

As the Bulgarian comrades are familiar with the development of the Ethiopian revolution, our efforts to form our own party, and the level of our development, I do not deem it necessary to dwell on these issues. However, in this context I would again like to express our high evaluation of your support and assistance, which facilitated the success of our party's constituent congress.

Despite the significant success in building our economy, the current drought, which was caused by unpredictable climatic conditions, has affected our country and created great difficulties in building a vital economy.

Millions of our compatriots are starving because of the drought. Facing such a difficult situation, we are implementing a twofold program aimed first at saving the lives of the population through rendering urgent help, and second, at adopting long-range measures on finding a lasting solution to the problem.

The international response to our appeal to prevent great losses of human life as a result of the hunger caused by the drought raises our hopes. I would like to express our great gratitude for the timely assistance rendered by the People's Republic of Bulgaria, as well as our hope that this assistance will be rendered in the future also.

Comrade Todor Zhivkov, a glance toward the current international situation shows that world peace and security are in great danger as a result of the militaristic policy of imperialism. The accelerated production of nuclear weapons, the increasing accumulations of these weapons, the increasing tendency to deploy destructive weapons in space with the goal of achieving military advantage, and the delaying of the process of detente herald dangerous consequences for the world public.

The constructive proposals of the socialist countries led by the USSR on protecting world peace and security have great importance.

In this context I would like to assure you that we follow with admiration and support the efforts of the People's Republic of Bulgaria to coordinate the positions of the countries in its region to turn the Balkans into a nuclear-free zone.

Comrade Todor Zhivkov, comrades, despite the fact that the enemies of Africa hoped that there would be a split, and, subsequently, a weakening of our organization, the successful conduct of the 20th OAU summit was a great victory. It was the most successful summit conducted in recent years. After dealing with various matters of vital importance for Africa, it adopted appropriate resolutions.

Namibian independence has still not been achieved because of the tactics of protraction and groundless excuses which sabotage the efforts of the Namibian people. I would like to take this opportunity to call upon the international public to find a quick solution to this problem and decisively condemn the maneuvers of South Africa and its collaborators, which are delaying Namibia's independence.

Furthermore, in order to destroy the system of apartheid and the regime of Pretoria and thus open the road to independence for the people of South Africa, it is necessary that all progressive forces and all peace- and freedom-loving peoples increase their unreserved and coordinated efforts more than ever.

Finally, reiterating my firm conviction that the relations and comprehensive cooperation between the peoples and governments of our countries, led by the BCP and the WPE, and based on proletarian internationalism, will continue to blossom, allow me to propose a toast:

-- To the health and long life of Comrade Todor Zhivkov!

-- To strengthening our countries' friendship and our peoples' well-being!

-- To the triumph of socialism and the protection of world peace!

Leaders See Mengistu Off

AU271527 Sofia RABOTNICHESKO DELO in Bulgarian 25 Dec 84 p 1

[Excerpts] The visit to Bulgaria of Mengistu Haile Mariam, general secretary of the Central Committee of the WPE, chairman of the Provisional Military Administrative Council, and commander in chief of the Revolutionary Armed Forces of Socialist Ethiopia, has ended. On 24 December Comrade Mengistu Haile Mariam departed from Bulgaria. Accompanied by Comrade Todor Zhivkov, he bid farewell to the following officials at the airport: Comrades Grisha Filipov, Milko Balev, Pencho Kubadinski, Petur Mladenov, Petur Tanchev, Stanko Todorov, Andrey Ludanov, Georgi Atanasov, and Grigor Stoichkov; Mitko Grigorov and Peko Takov, deputy chairmen of the State Council; Georgi Karamanev, deputy chairman of the Council of Ministers; and members of the State Council and the government. Georgi Kusov and Geremew Debele, the two countries' ambassadors, were also at the airport.

LEADERS OFFER CONDOLENCES ON DEATH OF USTINOV

AU271232 Prague RUDE PRAVO in Czech 24 Dec 84 p 1

[CTK report: "Condolences on the Death of Marshal D. Ustinov"]

[Excerpts] Prague, 22 Dec (CTK) -- Deep condolences at the death of Dmitriy Ustinov, Marshal of the Soviet Union, CPSU Central Committee Politburo member, and USSR minister of defense, were expressed on 22 December at the USSR Embassy in Prague. These condolences were offered by Gustav Husak, CPCZ Central Committee general secretary and CSSR president; by other CPCZ Central Committee Presidium members: Alois Indra, Milos Jakes, Antonin Kapek, Josef Korcak, and Jozef Lenart; by Josef Haman, CPCZ Central Committee Presidium candidate member; by CPCZ Central Committee Secretaries Mikulas Beno, Frantisek Pitra, and Jindrich Polednik; and by Marie Kabrhelova, CPCZ Central Committee Secretariat member.

The CPCZ representatives conveyed sincere sympathies to Viktor Lomakin, USSR ambassador to the CSSR, and signed the condolence book.

Bratislava -- Condolence lists on the death of Dmitriy Ustinov were also displayed on the premises of the USSR Consulate General in Bratislava, which was decorated in mourning.

The following expressed deep sorrow by signing the condolence lists: Peter Colotka, CPCZ Central Committee Presidium member and premier of the Slovak Socialist Republic (SSR); Miloslav Hruskovic, CPCZ Central Committee Presidium candidate member and secretary of the Slovak Communist Party (CPSL) Central Committee; Viliam Salgovic, CPSL Central Committee Presidium member and chairman of the Slovak National Council; and other representatives of the SSR's party and state bodies. The condolence lists were also signed by members of the consular corps in Bratislava.

STROUGAL DISCUSSES CEMA ECONOMIC COORDINATION

LD272134 Prague Domestic Service in Czech and Slovak 1700 GMT 27 Dec 84

[Text] The first number of the magazine WORLD MARXIST REVEW publishes an article by Lubomir Strougal, premier of the federal government. The article is titled "The Advantages of Socialist Economic Integration."

The more we are separated by time from the historic turning point in the development of our society, February 1948, Lubomir Strougal writes, the more clearly we see the benefit of comprehensive cooperation with the Soviet Union and other countries of the socialist community. The vital interest of Czechoslovakia in cooperation with fraternal countries which have set out on the path of socialist development had already been expressed in 1948 when the CSSR entered CEMA, an international organization of a new type, as a founding member. Thanks to cooperation within the framework of CEMA, great changes took place in the member-states' economies which led to economic development. One reason for the creation of CEMA concerned external factors, because socialist countries could counter economic discrimination, boycotts and other sanctions by imperialist powers only through joint effort. Development has shown, Lubomir Strougal emphasizes, that the socialist community has fully faced up to this task.

The article goes on to say that for deeper cooperation within the framework of CEMA, it is necessary to even more effectively assist the development of production forces in individual countries, to uncover reserves, to study possible shortcomings which occur in socialist economic integration, and to perfect the management mechanism.

The answers to these requirements can be found in the conclusions of the mid-June economic summit conference of CEMA member-states in Moscow. At the conference it was emphasized that a basic means of economic policy coordination will be the coordination of national economic plans. Also in this area a new quality of approach will appear in the period 1986-90, for example concerning a close link between economic and scientific and technical cooperation and also consultation about the basic directions of economic and social development up to the year 1995.

Scientific and technical development, which will also acquire a marked integrational character, will play the main role in the economic policy of fraternal countries, Lubomir Strougal writes. He goes on to recall that the needs of the intensification process require progress also in intergration of the fuel and energy sectors. As confirmed again by the Moscow economic conference, the complex solution to the food problem is also the center of attention of all member-states. With regard to the close economic link of the member-states, economic growth and the growth in satisfaction of the needs of each member-country of CEMA are to a considerable extent becoming dependent on the economic progress of others and the whole community. This is why it is necessary to coordinate the economic policies of the fraternal countries, the basic character of which is the joint economic integration for the next period, Lubomir Strougal emphasizes.

The Moscow CEMA economic summit demonstrated the unity of the member-states and their mutual working out and realization of a long-term strategy for the development of cooperation. It is evident from the adopted documents and conclusions of this conference that the communist and workers' parties of the socialist states are fully aware of their historical responsiblity to solve the pressing questions of social economic development of the community and the whole of humanity and to preserve peace in the world.

KROLIKOWSKI ON INTERNATIONAL RELATIONS

AU180944 Budapest MAGYAR HIRLAP in Hungarian 14 Dec 84 p 2

[Interview given in Berlin by Herbert Krolikowski, first deputy foreign minister of GDR, to Laszlo Kulcsar: "Common Sense and Dialogue"; time not given; first paragraph is MAGYAR HIRLAP's introduction]

[Text] Dr Herbert Krolikowski, member of the SED Central Committee, state secretary, first deputy foreign minister of the GDR, and chairman of the GDR faction of the GDR-Hungarian Cultural and Scientific Cooperation Committee, received Laszlo Kulcsar, our paper's correspondent, in Berlin and answered his questions.

1. [Kulcsar] The year 1984 will soon end. Please outline the balance of the current international relations of the GDR. How do you generally evaluate the international political situation?

[Krolikowski] Regarding the development of our country's international relations, we can conclude 1984, the 35th year of the establishment of the GDR, with a positive balance in all aspects. Our fraternal friendship with the Soviet Union, the Hungarian People's Republic, the other socialist countries of the Warsaw Pact and the CEMA member-countries, has further strengthened. All this is expressed in the coordinated positions taken at the international forums by the countries belonging to our system of alliance, and also in the deep political, military, scientific-technological, economic, and cultural cooperation within the framework of socialist integration. Our country's international positions have further strengthened and due to this fact even more possibilities have been opened this year for us to participate in a constructive way to solving the most urgent problems facing the peoples. This has been expressed by the activity and proposals of the GDR representatives at the Vienna, Stockholm, and Geneva talks and in the United Nations. First of all the same thing was expressed at the talks held this year by Erich Honecker, general secretary of the SED Central Committee and chairman of the State Council, with the representatives of countries of different social orders, both in the GDR and abroad.

A successful dialogue is all the more important -- and with this I would answer the second part of your question -- in order to achieve as soon as possible a favorable turn in the still extremely strained and alarming international situation. We regard it as our most important task to avoid with all our power a nuclear inferno and the attainment of military superiority by the United States and the NATO countries. Therefore, the planned meeting between Andrey Gromyko and George Shultz in Geneva, from which we expect a reduction in the nuclear arms race, has met the full understanding of our people.

2. [Kulcsar] Do you see any possibility for a quick return of the process of detente?

[Krolikowski] In our opinion the international situation is very serious, but not irreversibly bad. In the struggle against imperialism's policy of threatening peace, striving for confrontation, and increasing the arms race, it is of vital importance that the countries of the socialist community continue to actively contribute to strengthening the most important factor of peace -- socialism -- in order to further strengthen their unity and assert their coordinated peace policy.

The proposals of the Warsaw Pact member-states, primarily those of the Soviet Union, offer a realistic basis for the talks aimed at arms limitations and disarmament, and for the cooperation of countries with equal rights in an atmosphere of security and detente. These proposals are based on the principles of equality and equal security. Only by taking them into consideration can we imagine progress in East-West relations, including the issues of disarmament.

We are starting from the premise that in our nuclear age there is no alternative to peaceful coexistence between countries of different social orders. We will allow no-one to gain superiority of power over the socialist community. We are steadily striving to make sure that common sense and realism are again dominant in international relations. The GDR has always supported the Soviet Union's repeatedly expressed readiness for an honest dialogue of equal rights and of an active spirit with the United States. The recently declared intention of the Soviet Union and the United States to start new negotiations on the complex matter of nuclear and space weapons can be, in our opinion, of considerable importance from the view of detente.

3. [Kulcsar] What possibilities do you see in successfully concluding the Stockholm Conference on European confidence and security building measures?

[Krolikowski] The GDR together with the socialist countries has always stood by the cause of the continuation of the Helsinki process. The Stockholm conference is also based on this principle: to spread political detente over to the military area. It is our conviction that the conference will fulfill its purpose if it discusses the political-international law issues submitted by the socialist countries in an organic unity with the specific military measures.

Such a complex approach equally serves to reduce the direct risk of a possible military confrontation and creates the conditions for arms limitation and disarmament.

4. [Kulcsar] The basic principle of the GDR's peace policy, that war must never again emanate from German soil, was confirmed on the 35th anniversary of the establishment of the state. What is the importance of implementing this goal in the relations between the two German states? What does the common responsibility of the GDR and FRG mean for Europe, for the world's peaceful future?

[Krolikowski] From the first moment of its existence, the GDR has been guided by this: to do everything to prevent a war from ever again emanating from German soil. Safeguarding peace is also at the center of the relations between the GDR and the FRG. Both countries bear a historically justified responsibility for peace, all the more so as their borders are also the dividing line between the world's two largest military alliances.

With the deployment of U.S. intermediate-range missiles in the FRG, a danger has emerged that a universal conflagration might again start from German soil -- from FRG territory -- this time a devastating nuclear war. By allowing the deployment of missiles, the FRG Government has assumed a grave responsibility. The GDR and the other other socialist countries are worried because of the proliferation of revanchism and chauvinism behind the shadow of the U.S. missiles. All this has a detrimental influence on the efforts aimed at continuing the relations between the GDR and FRG on the basis of the principle of peaceful coexistence.

Our policy toward the FRG, based on the norms of international law and peaceful coexistence, creates possibilities for constructive measures. We are ready for a dialogue with all those who show receptivity to common sense and realism and those who struggle for safeguarding peace.

This means first of all that we want to persuade the FRG to contribute actively to reducing the danger of military confrontation that has suddenly increased by the deployment of Pershing II and cruise missiles in Western Europe (including the FRG). That is why we call upon the FRG to adopt measures which we, on our part, are ready to adopt at any time: to sign agreements on renouncing the use of military force, establishing zones free of nuclear and chemical arms, and banning the militarization of space. And, of course, we are ready to solve all those questions that are still blocking full normalization of relations between the GDR and the FRG.

5. [Kulcsar] How do you evaluate Hungarian-GDR relations during the period of preparing the new 5-year plans?

[Krolikowski] The practical implementation of the principles included in our Treaty of Friendship, Cooperation, and Mutual Assistance covers all areas of life. Our cooperation is characterized by great stability and dynamism. The meetings between the two countries' leaders always have an encouraging effect on the development of our fruitful, tradition-rich relations.

Our economic relations occupy a special place in our cooperation; goods exchange this year exceeds R1.7 billion. A good quarter of this is composed of electrotechnical-electronic, agricultural machine, vehicle, and chemical industry products produced in the framework of specialization and cooperation between the two countries. The long-term programs of scientific-technological cooperation -- among them microelectronics and robot technology -- are also of considerable importance for the national economies of the two countries.

We can start 1985, the last year of the current 5-year plan, with optimism in all aspects. At the same time we can put the final touches on our plans for 1986-1990. It is our deep conviction that the importance and quality of our cooperation will continue to increase. This derives from the identity of our goals, from our common efforts to construct a developed socialist society. In the future, too, the GDR will continue its sincere efforts to contribute as a reliable partner to the multilateral strengthening of our fraternal alliance.

1985 TRADE PROTOCOL SIGNED WITH POLAND

AU241433 East Berlin NEUES DEUTSCHLAND in German 22-23 Dec 84 p 2

[Text] Berlin (ADN) -- The protocol on the goods exchange in 1985 between the GDR and the Polish People's Republic was signed in Berlin on Friday by Deputy Foreign Trade Ministers Dietrich Lemke and Wladislaw Gwiazda.

Proceeding from the agreements reached between Erich Honecker, SED Central Committee general secretary and GDR State Council chairman, and Wojciech Jaruzelski, chairman of the Council of Ministers of the Polish People's Republic, the mutual goods deliveries and services will be essentially increased and will reach a volume of R2 billion. [sentence as published]

The document provides for exportation by the GDR of machine tools, lifting and conveying equipment, machinery and equipment for the textile and printing industries, products of the scientific apparatus industry, office and computer technology, electric appliances, electronic components, radiological and electromedical appliances, and agricultural machinery among other things.

The Polish People's Republic will supply to the GDR equipment for the metallurgical industry, conveyer plants for brown coal surface mines, measurement and control technology, air conditioning and dust arrester installations, electric motors, electronic computer technology, measuring equipment, and wood processing machinery.

The traditional and comprehensive mutual deliveries of raw materials and fuels, semifinished goods, chemical products, and light industry products will be steadily continued.

The GDR will primarily supply potash fertilizer and pesticides for Poland's agriculture and will receive from Poland bituminous coal and bituminous coal coke, sulfur, and carbon disulfide. In addition, the GDR will export i.a. pharmaceutical and cosmetic products, musical instruments, and textiles for interior decoration. Imports from Poland will also include chemical consumer goods, electric stoves, household refrigerators, and fruits and vegetables.

Polish specialists will carry our construction and assembly work at important investment projects in the GDR.

The signing ceremony of the annual protocol was attended by Gerhard Weiss, deputy chairman of the GDR Council of Ministers; Horst Soelle, GDR minister of foreign trade; and Maciej Worowski, ambassador of the Polish People's Republic in the GDR.

POPIELUSZKO TRIAL UNDERWAY; TESTIMONY BEGINS

Court Rejects Warsaw Motion

LD272306 Warsaw Domestic Service in Polish 2200 GMT 27 Dec 84

[Excerpts] The trial in the case of the kidnapping and killing of Father Jerzy Popieluszko has begun at the voivodship court in Torun.

The metropolitan curia of Warsaw once again moved that it be permitted through plenipotentiaries to take part as an auxiliary prosecutor. After deliberating, the court rejected this motion on the grounds that the crime had not directly violated the institutional well-being of the curia. What had been violated was the individual well-being of a man, and it is for this reason that the parents and brother of the deceased had been permitted by the court to take part in the trial as auxiliary prosecutors.

Charges Presented

LD271634 Warsaw PAP in Russian 1500 GMT 27 Dec 84

[From a report on trial in the case of the kidnapping and killing of Father Jerzy Popieluszko]

[Excerpt] Warsaw 27 Dec (PAP) -- The charges and the grounds for the defendants were presented today at the trial. G. Piotrowski, L. Pekala, and W. Chmielewski are charged with stopping the vehicle in which Jerzy Popieluszko and Waldemar Chrostowski were traveling on the night of 19-20 October 1984, with the intention of killing them. As is noted in the charges, the accused repeatedly used physical violence against J. Popieluszko, which brought about his death by suffocation. The corpse was thrown into the water not far from Wloclawek.

A. Pietruszka faces the charge that, abusing his official position and making use of the fact that the remaining three accused were his subordinates, he incited them to commit murder, helped them to carry it out, and tried to hinder the exposure of those guilty of the crime.

Accused Pekala Testifies

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[From a report on the first day of the trial of the alleged killers of Father Popieluszko "compiled by Marek Kassa and Zbigniew Krajewski"]

[Text] The accused Leszek Pekala then gave an explanation to the court. He talked about the circumstances in which Grzegorz Piotrowski proposed that he participate in the kidnapping of Father Popieluszko and about the deed's preparations; the purchase of necessary items; the theft of car registration plates; and the preparation of essential documents. He stressed that the driving force behind all the actions was Grzegorz Piotrowski. After hearing the account of the unsuccessful kidnap attempt on 13 October, the court asked about the events of 19 October. Here is an excerpt from Leszek Pekala's statement on that subject:

[Begin recording] [Question] Can the accused say whether there were one or two sacks of stones [word indistinct] before starting for Bydgoszcz?

[Pekala] I think there were two.

[Question] How were they prepared? You put the stones in and the sacks were closed in some way?

[Pekala] Yes.

[Question] Why? Why two sacks of stones? [brief pause] Two?

[Pekala] Yes. They were prepared in case the priest was returning alone or with someone else and two people had to be kidnapped and frightened. That's how I understood it, in any case.

[Question] And what had that second person to do with it?

[Pekala] If a second person were to die, then...

[Question] Is the accused saying to die?

[Pekala] Yes.

[Question] What am I to understand by "if a second person were to die?" What is the court to understand by that? [brief silence]

[Pekala] Were to be killed.

[Question] Where did you get the poles you took with you and who made them?

[Pekala] You are talking about the cudgels, aren't you? On the way.

[Question] How did this come about, because it certainly didn't just happen that you were driving along and suddenly the accused stopped the car and jumped out, broke off some cudgels [word indistinct], and so on. Was there any conversation before that? If so, what kind?

[Pekala] There was a conversation earlier, that the [word indistinct] we had prepared on the journey to Gdansk to take with us were not suitable for stunning.

[Question] Did you talk about that during the journey?

[Pekala] No, earlier.

[Question] At work?

[Pekala] Yes.

[Question] What were they to be used for? These stakes, cudgels?

[Pekala] To stun the driver and the passenger. [end recording]

Because the accused Leszek Pekala was very tired, the court adjourned his explanations and announced a break until tomorrow.

BARCIKOWSKI ADDRESSES CENTRAL COMMITTEE PLENUM

AU241504 Warsaw TRYBUNA LUDU in Polish 22-23 Dec 84 pp 3-4

["PZPR Politburo report" read by Kazimierz Barcikowski, Politburo member and secretary of the Central Committee, at the 18th PZPR Central Committee Plenum in Warsaw]

[Text] As Comrade Jaruzelski has already said, the agenda for the plenary deliberations of the Central Committee includes issues of the country's socioeconomic development in 1985. We are tackling them against the broader background of the implementation of the socioeconomic plan for 1983-85 and also with some reference to the tasks of the coming 5-year period. The party is profoundly justified in focusing its attention on the processes taking place in the economy. The manufacturing element is always of great significance. The results achieved here determine people's material living conditions. Sociopolitical stability and social support for the party's program and activities from the working class and broad circles of society depend to a great extent on success in this sphere. The consolidation of socialism and the development of socialist socioeconomic relations takes places on this front. Poland's standing and place in the international division of labor is decided on this front as well.

The significance of the present plenum results from the fact that its subject is the final stage of implementing the 3-year plan. The year 1985 will be a sort of bridge between the period of emergence from economic collapse and getting on to the development rails of the coming 5-year period. The implementation of next year's plan should clear the ground to correct the still occurring weaknesses in 1986-90. In this sense, the tasks of the central annual plan, which we are discussing today, not only have an immediate nature but also have a long-term nature.

Longer and more profound social consultations than ever before were held on the assumptions of the 1985 Central Annual Plan. The work forces of some 1,500 enterprises took part in them. There were 2,500 party meetings, usually open, in which more than 100,000 people participated. The political parties, the trade unions, socioprofessional associations, scientists, and publicists made their opinions known. Recognition should be expressed for all those who made their contribution to the compilation of the central plan.

The results of the consultation go beyond the framework of the central annual plan document. One of the results was an acceleration of work on enterprise plans and a clearer orientation by enterprises than in the past toward general economic and social targets. For many participants, the consultation on the plan's assumptions was an opportunity to gain a more profound knowledge of the national economy; to have their say on what they considered to be the most important things in the plan. There was a step forward in spreading knowledge about good management. The Politburo proposes that the Central Committee recommend that the principle of consultation on plans for the country's development before their final approval be preserved.

One can say that we have an annual plan with a firmer basis in reality than in the past. Progress in making the planning process a social one has meant that the plan's content is richer and its targets and instruments are understood and approved by the working class to a greater degree than hitherto. We have the right to say that the plan is the joint achievement of the central planning authorities, local echelons and enterprises, and a considerable section of society.

Thus in a certain respect this is an agreed plan between those who have planned it and those who are going to carry it out, between manufacturers and consumers. The broad understanding for and the social approval of it stemming from this agreement are of great political importance. The task is to transform these into general involvement for the achievement of goals which have been worked out jointly. Good work and wise actions will be necessary in order to ensure the achievement of the benefits described in the plan. Party organizations will lead this social and professional activity. At today's plenum we wish to draw up concepts for the party's political activity which will help to accomplish the tasks of 1985. This is the main aim of taking up this problem at a Central Committee forum.

Esteemed comrades! Hitherto the implementation of the 3-year economic stabilization plan allowed us to anticipate that the main tasks in the sphere of material production would be successfully fulfilled. If we take into consideration that the plan was being drawn up during the deepest economic crisis and at a time of arbitrary restrictions toward Poland applied by the United States and its allies, we have grounds to state that the general concept of the plan and the ability of our economy to gradually overcome difficulties and restore production have been confirmed practically. By the same token we have proved in practice that the restrictions applied against Poland, although painful, have not brought us to our knees. Thus they have not fulfilled their expectations. This is why they are now being lifted bit by bit. Predictions and the wishes of the internal opponents of socialism have not been fulfilled either. They abetted the American anticommunists in the introduction and maintenance of restrictions against Poland.

They predicted -- and they are still doing so today although they are becoming increasingly quiet about it -- that the 3-year plan, and the functioning of economic reform, of self-management, of the trade unions, and so on would collapse. It should be remembered that they always applauded decisions hostile to Poland, and that they announced numerous boycotts of activities undertaken to overcome the crisis and to strengthen socialism by our party and by social forces cooperating with the party. What is more, in order to slow down the revival of the economy, to the disorganization of which they contributed consciously and in a real way, the opponents stooped in their struggle against socialism to the consciousness of an asocial rake and social degenerate by questioning the very meaning of work, thus promoting apathy and despondency. Unfortunately, this was picked up to some extent even in some circles where people who, it seemed, were experienced enough to understand the elementary and inviolable foundations governing the functioning of societies. Without a shadow of a doubt, work forms part of these foundations.

Poland needs honest work. Successful accomplishment of the fundamental production tasks of the 3-year plan will be the joint achievement of the working class and the peasants, and of good workers in industry, agriculture, the construction industry, and transportation. It will be the achievement of leadership and technical cadres of the economy who will be up to the task and find solutions making it possible to reduce the effects of economic breakdown.

To achieve such results, it is also necessary to have the participation of scientific cadres who, having supplied solutions essential for the continuation of production, will thus demonstrate their support for the working class. Greatest appreciation is due to all social activists, including the activists of our party who, by their active organizational work to organize workers' self-governments and renew the trade unions and who, at the people's councils and regional self-managements, resisted the nihilistic slogans of boycott and hostility against socialism. This was not work in vain, and life has proved right the creators and not the boycotters.

At the same time we remember all active members and secretaries of our party who were involved in difficult work on overcoming the crisis and who had great responsibility for the accomplishment of economic tasks. They are performing their duty in a noble manner.

However, by pointing out the good results of the implementation of the 3-year plan we have no intention of passing over what has not yet been achieved and what needs to be done next year and in the future. In fact, we are devoting the 18th session of the Central Committee to these matters. The point is to make progress in 1985 which will correspond with the true capabilities of the economy. These capabilities will be greater or smaller depending on the degress of social approval and human activeness.

There must be no doubt: The working people and our nation will improve their life and position in the world in line with more effective use of the conditions and values at their disposal.

We have at our disposal considerable resources: a significant pool of educated and professionally active citizens, important technological and production equipment, and significant deposits of raw materials. We are members of the great community of socialist states whose defensive might, particularly that of the Soviet Union, ensures the safety of our borders; and the enormous economic, technological, and scientific potential, the material and raw material resources create fundamental conditions for a stable base and steady development of our country. At the same time we must be careful that we are a respected and trustworthy state and partner. This increases our capabilities and opportunities enormously. The experience of years of our internal crisis confirms this.

The Long-Term Program of Scientific, Economic, and Technological Cooperation Between Poland and the USSR, signed by Comrades Wojciech Jaruzelski and Konstantin Chernenko, has great significance. Similar cooperation programs have been signed or are being prepared with other socialist countries. We are greatly interested in what we call reorientation, that is in decisively broadened cooperation with the socialist countries and deeper economic integration within CEMA, and in particular in the full implementation of the CEMA countries. These decisions are long-term ones which, of course, go beyond 1985; but they will already find their reflection in this year's plan.

Implementation of the bilateral agreement on the construction of a gas pipeline from the Soviet Union to Poland and increased supplies of gas to our economy in exchange for supplies of coke from a modern coking plant in Silesia, built on the basis of Soviet credit, is underway. Direct cooperation of plants, of branches of scientific-technical institutes in Poland and the Soviet Union, will expand. One should also note that the assumptions of the 1985 plan have been coordinated with the plans of our chief partners in the socialist countries, which gives a mutual guarantee of supplies of raw and other materials and market goods for us from those countries and from us to them. Because supplies to us from the Soviet Union will be higher than from us to the Soviet Union, the government of that country has decided to give Poland another credit of 600 million convertible rubles to cover our negative balance of goods turnover in 1985.

The reliability of our economic organizations in implementing signed contracts and agreements is very important for the successful development of our relations with foreign countries, today and in the future. This is linked with the vital need to increase the potential and enrich our available exports. The Polish People's Republic is interested in normalizing commercial and financial relations with the capitalist countries on the basis of mutual benefit.

In view of this, we must increase export capability. Our export to capitalist markets is growing more slowly than the 3-year plan assumed; and because part of the income of this export -- lower than assumed -- is swallowed up by the servicing of previous credits taken out with capitalist banks, the possibilities for importing what the economy needs are very limited.

To increase these possibilities, Polish exports must increase.

Esteemed comrades, in the first 2 years of the 3-year plan, the inflation index dropped and the amount of goods on the market increased, but the achievement of market equilibrium and stabilization of the value of the zloty require further measures. If anyone questions the progress on the market, which is still insufficient, let him compare today's state of supplies with the hopelessly empty shops in 1981. In 1984 there was a certain rise in reserve stocks in trade. This is a consequence of the increased supplies of goods but also of the balancing out this year of the population's incomes and expenditure. One must also take into account the rationing of basic foodstuffs, which limits the purchasing possibilities to closely defined amounts. At present, possibilities are arising for gradually bringing about market equilibrium and narrowing the scope of rationing.

Sometimes one comes up against the question: Why do we attach such importance to achieving market equilibrium? In general, everybody knows that this requires often unpopular decisions to be brought into force; and everybody, after all, would like to avoid difficult decisions which are distasteful to citizens. The point is that those decisions are not the invention of the authorities or of the center, because the center does not want to annoy anybody, and the decisions are essential to society.

Such decisions are essential for the life of the community to function correctly. The point is to achieve a state of supply for trade, a state of demand and supply such that buyers can purchase what they want with the amount of money earned, without greater difficulties. Then the desire to work and increase earnings will grow as well as the desire to save, that is putting aside some money for later. One lives better and the feeling of security for today, for tomorrow, and for old age is greater. On the other hand, the lack of balance in the market encourages well-known negative phenomena such as lines, profiteering, sale for favors -- or to put it simply -- bribes. Benefits from these practices are derived by various speculators and the costs are borne by the working people. It is not enough to have money; one must also have access to goods. Combating the above-mentioned phenomena by administrative and repressive actions can limit them to some extent but it is difficult to eradicate speculation totally by these means. It is easier to control inflation and achieve a market balance if there is an understanding in the community of the need for it and if citizens agree to the means serving this purpose. If there is no such understanding an increase of a destructive force can occur which will lead to the disturbance of economic life. This is not just a theory. Such phenomena were seen in the past, and not so long ago, both in Poland and in some other countries. The plan assumptions for 1985 envisage using means which will make it possible to approach the state of market equilibrium and further limit inflation. In the consultations on the plan the overwhelming majority favored the approach maintaining the realistic average wage level at the present level and favored earmarking the whole surplus in goods supply to strengthen the market. Such a view is contained in the plan for 1985. However, if we implement the plan of industrial production for the market more effectively and agricultural production grows, it will be possible to improve the level of consumption by, on average, 3 percent, assuming fulfillment of these conditions. For this to become fact it is necessary to increase efforts at producing a greater number of good-quality market goods and to increase the range of population services.

This I think is a good enough argument for the party organizations, the administration and the self-management units, and the trade unions to undertake actions, all in their own ways, toward increasing market production. This is a task of major importance for checking and curbing inflation and for improving market balance. The possibilities of increasing market production should also be sought by the work forces which normally produce mainly supply goods.

The second goal is to maintain the growth of the population's wages and incomes within dimensions not greater than those assumed in the plan. The plan assumes the growth of an average wage by 12-13 percent during all of 1985. The point is for the increase in wages to be linked with a productivity increase and improvement of management and a decrease in the use of raw and other materials.

The third goal is to maintain the increase in retail prices which should in 1985 be at a level no higher than 9 percent, and jointly with what spills over from this year, 12-13 percent.

Price changes cannot be avoided, because production costs in industry are increasing, among other things as a result of the increase in wages and supply prices. There is an increase in foreign currency prices of goods we import. Procurement prices for agricultural raw materials have also risen. Another additional reason comes into play here: the possibility of lifting the rationing of some agricultural produce and the consequent need to introduce prices which would ensure, with the envisaged increase in supplies of that produce to the market, continuity of sale. However, price changes for rationed commodities would be accompanied by compensation, which could be implemented in various forms for the employed, children, young people, and old-age pensioners and the disabled. The intention to change the prices of those goods is not to cut consumption of currently rationed resources. The point will be normalization, the general accessibility of this sector of the market. Of course, a condition of introducing price changes is consultation about them with the broadest circles of society and above all with the trade unions.

The Central Committee should authorize the appropriate government bodies to carry out consultations on the planned changes and stipulate that no price changes for foodstuffs should take place before collating and publishing the results of the consultation; and finally, from the point of view of ensuring market equilibrium, investment expenditure also has to be examined. That expenditure has been exceeded beyond the initial assumptions of the 3-year plan, therefore seriously increasing the amount of money on the market. The assumptions of the 1985 plan envisage halting the rise in investment outlays and maintaining them at this year's level. But which of us does not meet with pressures, with requests for new, further investment? One must remember that any possibile overstepping of the planned investment level will not have additional material backing and will thus increase disorganization on the investment front. Besides that, it will cause an additional influx of money on the market, money which has no purchasing power.

The government's financial policy must therefore induce people to curtail unplanned and unjustified investment and protect housing, hospital, and school building construction. The increase in construction costs must also be halted. These are the chief undertakings which must be implemented to progress next year toward bringing market equilibrium and lowering the inflation index. This is in the well-conceived interest of the citizen. Economic stabilization requires it.

Esteemed comrades, the plan for 1985 assumes a considerable increase in supplies of goods to the market. It also assumes commissioning for the population 190,000 dwellings, 3,800 classrooms, and 4,200 hospital places.

One must remember, however, that it is not only material production and the level of consumption which have a bearing on people's state of mind. Although we are focusing the Central Committee's attention today on economic issues, it is impossible to pass over citizens' interest in streamlining our life in all areas. In particular, one must take into account the expectations that a sense of justice will be respected.

It stems from this expectation that our party is absolutely bound to support everything that is good and honest and which serves the cause of socialism, and to resolutely oppose everything that is bad and needs to be removed from social life.

Each link in our party, from the Central Committee to primary party organizations, must assess with utmost thoroughness the work of public offices, the trade network, the cooperative movement, the health service, the municipal economy, and other institutions and public services which operate for the benefit of citizens. An improvement in the efficiency of work and in good management cannot be limited only to the manufacturing sphere; it must embrace all spheres. And this is how our party should approach its effort. The pursuit of personal interests, excesses, and disrespect for people must cause opposition everywhere, and whenever it is established that they have taken place, all harmful phenomena must be effectively countered.

The Supreme Chamber of Control, in the rich material that it collected as a result of checks, exposes various diseases of economic life. The Politburo assessed at its session the work of the Supreme Chamber of Control and adopted a resolution on the party supporting the institution of state and social control. Among other things, it is important that party organizations and committees familiarize themselves with the results of checks. And what is more important, they should draw the appropriate conclusions and monitor the implementation of recommendations made as a result of checks.

The Ministry of Finance recently assessed the functioning, and in particular the state of financial discipline in the private and small-scale manufacturing sectors. Members of the Central Committee have received extensive material on this subject. The honesty of units of the socialized economy in squaring their accounts with the budget is also the subject of permanent checks. The results of this testify to one thing: Respect for the regulations of the law in force -- or to put it differently, financial discipline -- is incredibly low and enforced too weakly. We hope that treasury offices will bring this worrying state of affairs under control more speedily.

I have spoken of the fact that the lack of market equilibrium promotes speculation. This is undoubtedly true. Thus we must strive for market equilibrium. However, it would be an oversimplification to think that at some point in time and in some circumstances, even in the most normal circumstances, there will be an absence of economic criminals, people out for an easy killing, embezzlers and swindlers, or of smaller and greater bribe-takers and thieves. In conditions where there is a breakdown and a weakening of discipline, from which we are gradually emerging, and in conditions where life is more difficult, all kinds of speculators become particularly brazen and evident and they openly insult the social sense of justice. These knights of the crisis must be brought to order.

According to our assessments the committee chaired by Comrade Kiszczak as well as other services, among others treasury offices, are implementing this task with increasing resolve and effectiveness. We must require from all members of the party, and particularly from those who occupy posts of leadership, that they effectively counter all kinds of swindling and that they carry out all their duties consistently. Inspection by workers and peasants should be of assistance in this respect for the entire party and the public.

Esteemed comrades, in 1985 we must, in accordance with the plan, produce more than in the year coming to an end. Working people expect more goods and it is necessary to export more if we are to strengthen our position in the world and ensure the imports that the country needs. Our economy, which is experiencing the effects of technological delay, expects more and better machinery. These needs are present now, will be there in 1985, and will also be there in subsequent years. The economy must cope with these requirements if the standard of living of citizens is to go up and if our country is to permanently return to the road of development. It is in this light that we must examine the tasks pertaining to an increase in material production in 1985 and the measures which have to be taken to fulfill these tasks. Let us examine the main components of the production process and our activities aimed at making better use of them so as to achieve the desired effects.

We must put the human factor, human work, in first place. Nobody doubts that there are enough talented and educated people in Poland or that we are able to produce more and better. What is more, now more than ever the internal organization of enterprises, the structure of employment wages, labor discipline, and the administration of resources for social and other benefits are determined by the very participants in the production process. Of course, there are limitations, mainly at the technical level of equipment, the amount of raw and other materials, and the possibility of carrying out investment projects. However, management means gaining the most out of existing resources. What is more, through our correct activities aimed at increasing imports for the needs of enterprises, modernizing machinery, and increasing production, our justified needs can be realized -- only if we earn enough for them through production with the help of the manpower and the resources we actually have. Awareness of this elementary truth must be universal: We have entered the years when the number of people of productive age is exceptionally low and at the same time the number of people of pre- and post-productive age is growing rapidly. In 1985 this growth will amount to about 37,000 persons but in the seventies it exceeded 300-400,000 persons. The number of young people starting work is therefore small.

In spite of this, various managers at various levels continue to demand increases in employment, as if nothing has changed on the labor market. All thinking about employment must start with the fact that its growth in the coming year and in coming years will be less than modest. At the same time it will be necessary to man new working posts in the schools and hospitals, shops, and transportation and new production sections which are commissioned. If employment happens in this way then the following essential question comes to the fore: How are the available labor resources used on a national, voivodship, city, or factory scale? Generally speaking, it appears far from favorably. From the times when there were enough people to work there lingers a light-hearted attitude to the matter of employment. Only the exacerbated difficulties of recent years are forcing the managements of more and more enterprises to seek new technological or organizational solutions which would save on labor or make more labor available. This is the only way for today and for tomorrow.

One must look from this point of view at the issue of automation and the introduction of robots to production. There is much to be desired in regard to the use of work time, or to put it most simply, elementary labor discipline. These are matters which are recognized at the moment as shameful, and it is almost rude to speak about them at meetings. But how can one explain that representatives of the work force of a factory where absenteeism reaches 20 percent and the real working time and discipline are low are loudly demanding extra employment?

Possibly they think, and are not ashamed of it, that they could waste more work. Proper use of work time must be made the concern of all employees, and the regulations on work and payment must be shaped in line with this, as well as the right to bonuses and other benefits. It is necessary for the work forces to know who is an exemplary worker and who is a bad worker.

New wage systems are being introduced in industrial enterprises to better link wages with labor productivity and quality. We also think that wherever possible one should apply more boldly the brigade award system, which is working well in the Soviet Union, and a form of job contract. There are still very few worker teams capable of undertaking additional jobs in production or in overhauls. There is not much enthusiasm for employing pensioners in production, particularly those of third category, or temporary workers. Desired changes in the enterprise structure of employment are not taking place with regard to the numbers of auxiliary and administrative employees. All this is incomprehensible in the face of constantly increasing applications for more employees made to employment offices and the hiring of various firms to work for the enterprises, and so on and so on. The government has already decided on the possibility of flexible employment at enterprises, decisions which are adapted to the new situation on the labor market. We consider it necessary to continue moving in this direction and to create conditions for employment for people who are willing to work and are capable of work. Thus, the possibilities for earnings for pensioners will increase, that is, those whose health permits them to work.

Matters of employment and productivity as well as the introduction of new wage systems and management of welfare funds must be at the center of attention of works party organizations. We encourage trade unions to get involved. At the central level it is necessary to carry out a detailed analysis of regulations in this sphere and to prepare proposals for solutions for the coming 5-year period. This is even more urgent as relevant government bodies will conduct talks with the trade unions on the subject of preparation and entering into collective agreements which correspond to the situation resulting from economic reform.

The task of 1985 will have to be fulfilled using the production equipment which we have now, plus new deliveries which will be modest because the means to renew machinery through imports and our own production will be drastically limited. It is even more important, therefore, to make proper use of available machinery, prolong its technical life, and modernize wherever possible. Comrades, we must face the truth and say that the use of buildings, machinery, and means of transportation leaves much to be desired, and in extreme cases certifies to practically barbaric wastefulness. We all know how difficult it is to get means to import spare parts for machinery from the capitalist zone. Necessary equipment is often idle because of the lack of spare parts. News appeared recently in the economic press in the West about the inexplicably high consumption of spare parts in Polish industry.

Of course, this was accompanied by a commentary about the lack of good operating and servicing standards. But after all, is this equipment operated with secret knowledge which one cannot acquire? This is not true. It is a matter of skill and maybe primarily a matter of concern and care by people, because it is far less common for machinery to go wrong by itself than it is for people to damage it.

In the crisis years the influx of modern equipment into our economy was modest. Our manufacturing stock aged. During this period the world, of course, progressed in regard to the development of technology. We must be aware of this and look for ways of catching up. In certain circles people have repeated for a long time in different ways the phrase "technological gap."

This repetition is more than not connected with the hope that these incantations will somehow ensure that a new and great influx of technology, as in the seventies, will automatically open up. It is not that the repetition of this phrase is unrealistic, but the hope itself is utopian when there is no new credit but debts incurred at that time which have to be payed off.

It stands to reason that we shall never give up importing technology that is necessary for progress in key spheres of the economy, but run-of-the-mill realism requires a broader approach to this problem. One must base technical progress in the broad meaning of the word on one's own possibilities and on increasingly broad scientific-technical cooperation with CEMA. In regard to our own possibilities one must have in mind all activities. Not a single one must be underestimated. We have mentioned the correct operation of machinery and equipment. It is also necessary to undertake in a planned fashion the modernization of our stock of machinery and tools. Plans for the technical streamlining of certain operational areas or operations should be introduced in factories so as to concentrate the attention of engineers and rationalizers on these tasks. One must search for possibilities to construct and build in larger factories units which serve the mechanization and automation of handling operations. An increase in the national production of electronic elements and automation units should promote this.

The mass nature of the rationalization movement at factories might become a treasure chest of ideas, and this must receive support. The system of paying people for inventions and rationalizing ideas which has recently been revamped is intended to serve this end.

In 1985 it is necessary to examine and assess the results achieved by scientific research institutes and by various kinds of development centers and design offices operating in the economy. Increasing the contribution of Polish technical know-how to our economy's development and to scientific-technical cooperation within CEMA should be the guideline for how we influence the direction of research and solutions.

At its latest session the Sejm passed a decree on a committee for matters of technology. The concept of creating this institution is accompanied by discussion and controversy in scientific circles. The opinion of technical circles has been taken into consideration in a particularly penetrating manner. We want these circles to find, together with the committee, the appropriate planning and organizational solutions which serve the development of research and the extension of technical progress. For it is true that on their own the committee and its offices will not create new technology, but they can and should create the conditions which will pave the way in the economy for technology and the applications of technology.

In the past few weeks a delegation of outstanding Soviet scientists and industrial activists, led by Academician Guriy Marchuk, visited our country. He is a deputy premier of the government and chairman of the State Committee for Science and Technology of the USSR.

Both our scientists and engineers and their Soviet colleagues perceive tremendous possibilities in joint creative work. These are not simply words. Meetings and conversations inaugurated in essence the implementation of one of the most important decisions of the summit conference of the CEMA member-states. This is decisive for the future and for the effective paving of the way for modern methods in the production of equipment and machinery and in the formulation of technology. It is important for us that in the implementation of this joint and great cause, Polish technical sciences, scientists, and engineers make a contribution commensurate with their aspirations. After all, it is in this direction that the road to the future will be laid.

When it is known who will be working and with which instruments he will be working, the matter of the basis of his production must become apparent. It is a condition for implementing the production plans in 1985 that more than 60 percent of the production increase envisaged in the plan be achieved from raw material and other material savings. This is not simply a wish. If the savings in this sphere are not carried out, then it will not be possible to achieve the planned goods increments. What is more, production will be smaller and at the same time more expensive because the cost of the materials used for a production unit will be higher.

Saving on raw and other materials is not something that is required for only 1 or 2 years. It will always be with us. There are permanent, nonshort-term reasons for this. Easily accessible reserves of raw and other materials both in Europe and in Poland have now been used up to a large extent and one has to go deeper or further to find them. This costs more. Vast expenditure is required to make new raw material sources accessible. This makes it certain that they will cost a lot in the future as well.

In our situation there is the additional problem of importing raw materials from the capitalist countries. If it were not for the deliveries from the socialist countries, above all from the Soviet Union, our economy would have to come to a standstill. And the supplies of raw materials from this area, too, cannot keep going up limitlessly because they are determined by the size of production and by the constantly growing costs of extraction in the supply countries. To ensure these supplies for the future it will be necessary for the country supplying the raw material to have an investment contribution to the regeneration of its extraction capacity.

At the 14th session of the Central Committee we recommended that a savings plan in the state and in factories be drawn up. The implementation of the plan has produced certain results. It will be easier to sum these up qualitatively once the year has ended. However, there has undoubtedly been progress, although it has not been the same everywhere. The most visible improvement has taken place in the management of production waste material, particularly of the more valuable waste material. Factories have been displaying much inventiveness here and interest in achieving greater income. On the other hand, there has not been any greater improvement in the saving of energy even though this is a task of primary importance if we wish to avoid restrictions on its use in the future.

In-depth checks on the management of materials at enterprises have shown in many cases shameless wastefulness, which requires consistent and severe punishment. Thriftiness and lowering of the costs of production must become a permanent and integral part of the system of management. This is not a question of good or bad will on the part of one manager or another; it is his service and party duty. We will review the system by which enterprises receive their bonuses, because the benefits that the work forces gain from various bonus schemes greatly outweigh the benefits they gain from conserving production materials. Good quality production is a precious form of saving. High-quality goods mean that raw materials were used properly and this is of great value. There is something immoral in the fact that despite an acute shortage of raw and other materials, which in many cases we import in exchange for exports of products needed on our home market, shoddy goods are produced or goods of such low quality that it is tantamount to waste. Fewer and fewer older goods have quality marks and at the same time no applications are made for awarding quality marks to new products. Nobody will forgive us for this, and this state of affairs must definitely change.

The way in which an enterprise is managed is reflected in the production costs. The greater the wasting of means of production, the higher the costs and the greater the pressure for price increases for goods produced; and vice versa: The better the management the better the results.

We still consider valid the recommendation of the 14th Central Committee plenum to the effect that permanent teams should function in enterprises under the patronage of the party to investigate the shaping of costs and prices. We should also confirm the stance of the government on maintaining controls over prices for the coming year and making it incumbent on the state organs to counteract unjustified price increases.

Esteemed comrades, no reasonable person will deny the influence of general state economic policy on management results. It is our intention for economic policy to encourage dynamic activity by enterprises and through this accelerate overcoming the crisis. This is served by the assumptions of the reform and efforts to stabilize economic and financial solutions. Only in necessary cases are additional burdens for enterprises to be introduced. For example, it is necessary to increase the portion that the enterprises have to pay to the state budgets from their profits, in order to reduce the funds for investments and to improve the general budget income. One must say that the reform is not just a collection of regulations and legal solutions. It is also certain rules of behavior, often unwritten, which must be created and approved by the leading cadres implementing the reform; it is the awareness that we are accounting for our money but are working for the society and managing on its behalf; it is the need for an open attitude vis-a-vis one's partners, for one's willingness to help and respond to these partners if need be, so that one can also receive support when needed. It is the question of how relations among people in enterprises are shaped. This list could be made longer to achieve what I would call a picture of socialist enterprise.

Its antithesis is passiveness and crude conceit. Alas, experience provides much evidence of disrespect for partners, failure to honor agreements or cooperation or investment accords. This cannot continue indefinitely. The problems of effectiveness of production and management quality are mainly resolved at the enterprise level. This is where the development of the enterprise is planned and the means for this development are worked out. One could expand the list of subjects. Both the founding bodies and the party echelons are interested in working out the objective criteria for evaluating enterprises and their leadership. This is also required by management cadres who often do not know what demands are made of them and the criteria by which they are evaluated. The Central Committee should recommend accelerated work on preparing and implementing such criteria to evaluate enterprises. I think that the definition of such means of evaluation will be an important step in making the rules of conduct for management cadres permanent. Respect for independence does not mean acceptance of total independence, such as in the days of the nobility, an idea which the party cannot tolerate.

The agricultural sector is closing the year with good results. This applies in particular to agricultural production, with the highest yields being achieved in cereals and rape. The plan of contract purchasing of grain has been fulfilled and winter stocks of potatoes, vegetables, and fruit have been provided.

This year's good yields promise improvements in animal production in 1985 if, of course, there are no climatic disasters. Economic phenomena such as the prices for piglets and free-market prices for grains and potatoes show that farmers are interested in restoring the numbers of animals. However, we have to wait for the results of this trend in the procurement of animals, because the piglets just bought have to grow up.

Comrade Zieba, the minister of agriculture, will take part in the discussion and I think that he will discuss in more detail the tasks for agricultural services. The plan for 1985 will be implemented under different conditions because the law on people's councils has been introduced as well as the law on regional self-government and the new budget law.

These laws and regulations relating to them introduce very important changes in the regional economy and create foundations for the independent activity of people's councils. The councils will have a definite say both on the shaping of their incomes and on expenditure. The councils will also supervise such important sectors as municipal economy, housing, and agriculture. In accordance with new regulations the councils will work out and approve the regional budgets for 1985. As these will be new budgets from the point of view of the current regulations, they must be approached with due care. The Central Committee should appeal to the councillors which are members of our party to make all efforts to ensure that 1985 is a good year in the work of regional economy. We think that the people's councillors should see that the councils make open decisions on collecting and spending funds, on the management of enterprises for which the people's councils are the founding bodies, and on attending to citizens' business.

I have in mind situations where it is generally known that there were colossal subsidies by communal transportation, and few people in towns today know the amount of the subsidies. Openness of council decisions should lead to better knowledge of what is important in regional economy, and citizens should know it to be able to make competent observations on the affairs of their own regions.

Cooperatives and their unions face serious tasks in 1985. Great tasks are to be fulfilled: production and housing supply for the population and the procurement of agricultural produce. Simultaneously with the implementation of these tasks, improvement in the operation of cooperatives should continue; in addition, members' trust in their organizations and in centers serving citizens should be increased.

We should increase cooperative members' influence in the assessment of the work of supervisory councils, management, and employees.

Esteemed comrades, to overcome the crisis important social and political changes took place among the work forces of enterprises. The position of our party in work enterprises has been reestablished, and its ability to take the lead in the social and political life of work forces has increased. This is reflected by the beginning of growth in party ranks in numerous work forces and the growing number of intervention issues submitted to basic party organizations and enterprise committees.

The principles of cadre policy are being better implemented; numerous party activists have been engaged in the tasks of workers self-management and in the rebirth and activity of the trade unions. We still have to concern ourselves with the consolidation of party organizations and in strengthening their offensive character. The position of workers self-management has been strengthening, and in the great majority of enterprises workers self-management has become an important link in management. Self-management activity increases concern for the enterprise, its results, and development among the broad masses of workers.

A few extreme cases of self-management being ignored by the administration, or on the other hand the actions of workers councils exceeding the limits of the law, are being overcome by their own efforts, and only in exceptional cases do they demand the intervention of the founding bodies and the force of the law.

At present over 100,000 people operate in self-management bodies. Due to functions performed by them these people know the enterprise and its possibilities, and participate in seeking the best solutions.

The Central Committee should come up with an initiative to convene another conference of representatives of self-managements from large enterprises to discuss the issues of 1985. The creation of trade unions has been running successfully and in varied ways. Besides work forces where union membership comes close to 100 percent, there are still enterprises with relatively low membership. On average the number of trade union members comes close to 50 percent of all employed. It is important that trade unions enter even more deeply into their proper role in the state, participate actively in resolving issues of the working people, and contribute ever more successfully to the development of economic activity. From this point of view we welcome appreciately the creation of the National Accord of Trade Unions. It is appropriate that the Central Committee reiterate the support of our entire party for the reborn trade union movement and once again confirm the conviction that new trade unions will become an important link in the defense of working people's interests.

Organizations of working young people are stepping up their activities. We expect that the precongress campaign of the ZMS which is in progress will help to extend the influence of this organization to working young people. The numerous social and economic initiatives of young people, including housing construction by young people, merit high recognition. We expect there to be a further increase in the activity of of the ZMW after its last congress. We are full of recognition for the increase in activity by the Supreme Technical Organization at factories and at voivodship and central centers. We have every reason to state that there is a gradual development of social areas at factories. The activity of people who are deeply interested in the good of the work force, the enterprise, and of towns and villages of socialist Poland is filling up these areas with increasing success.

It is important too, decisively important, that our party and its echelons and organizations not let down the activists of these new forms. They should have the conviction that they can count on our assistance and on the just examination of difficult and conflict-ridden matters. Let us not deceive ourselves: Such matters crop up and will continue to crop up in the future. The thing is that we should work in a way which excludes suspicion of there being dishonesty or bad intentions. It is precisely those social structures which are taking shape in factories that make it possible and necessary to conduct open and aggressive party activity. We must strive to ensure that work forces have broad general information about factory-related matters. When there is consultation over matters important to the work force we must observe the openness of decisions.

We must not allow demoralization, either as a result of the authority vested in someone or as a result of absenteeism or drunkenness by members of the work force, to be revived or persist. May everyone be assessed in a just and open manner and may they shoulder the consequences of their behavior.

We demand much from party members. The steadfast activity of primary party organizations in support of the implementation of the line of the ninth congress and of decisions of the Central Committee is an indispensable condition for implementing the leading and guiding role of the party. This will also apply to the resolutions which the Central Committee will adopt at its 18th session and which will be connected with the implementation of the plan for 1985. The point is that the party organizations should inspire the implementation of these resolutions and obtain for them the support of factory activists and the majority of the work force.

Party initiative and involvement must embrace the whole sphere of work at an enterprise: the level to which working time is used, earnings, savings of raw and other materials, production costs and the quality of output. Party organizations in industry must approach with particular attention all innovating propositions designed to improve equipment, machinery, or the work force itself. There is no road for progress if there are no social forces which support and implement progress. Our party is and must be to an even greater extent just such a force: a force which paves the way for progress.

Party involvement must accompany the drawing up of enterprise assets, the division of generated resources, and the proper use of these resources. It is particularly important to accumulate resources for the development of enterprises and for social purposes and to expend these resources appropriately.

In 1985 and the following years expenditures on the regeneration and modernization of machinery and equipment and on the mechanization and automation of production must be dominant in the investment of enterprises.

The main point is to speed up the increase in labor productivity and make it work better when there are manpower shortages. Unit volume building construction must be included in the essential minimum. It is state policy to support enterprise activity to promote modernization and at the same time to act as a brake on the development of new cubiform building construction. Social funds of work forces will increase. We are looking after that. How those resources are used cannot, however, be a matter of indifference to party organizations. No matter how large the resources for social purposes might be, they will always be too small in relation to needs. For this reason, it is very important that they be spent on the most important purposes for working people and that they be allocated fairly and openly. The overwhelming majority of plants manage their social funds properly. There are beautiful examples of initiatives and aid to housing construction; aid to employees for the winter; organization of summer vacations for children and young people; care of labor veterans, and so on. But there are also examples of the social fund being treated as a sort of reserve fund for wages or bonuses. This is wrong and an intolerable treatment of these resources.

Working and living conditions are often difficult. This should prompt us to look for possibilities in the factory to make life easier for people. Cafeterias and factory kiosks should be the focus of attention. We will be gradually lifting the rationing of foodstuffs. Would it not be right to prepare, on factory premises, advance orders of staple goods so the workers could collect them as they went home? Some will say that this is organizationally complicated; but is it right for women to constantly stand in line? Is it better? Let us look for good solutions. We will not be original in this regard. We will do as is done in some socialist countries.

In a mature way, with a view to permanent improvement of the enterprise and its production, the party organization must assess managerial cadres. It must point out shortcomings and errors in time, if they occur, and choose for promotion talented, energetic people who have been tested in practical activity in lower posts. Cadre decisions cannot be made in camera; they must be openly prepared and supported by the opinion of a given collective. It is of fundamental importance that we ensure continuity of cadre work and train purposefully what one might call the plant's cadre fund, the cadre resources. This is not being done to best advantage everywhere despite the fact that it is, after all, a leading party task.

When shaping interpersonal relations in the plant, party organizations must see to it that master craftsmen, production managers, constructors, and plant administrations have the proper standing. Enterprises will not develop and will not have progress or order if the management and technical cadre does not have the appropriate powers and the necessary standing. This also applies to remuneration for work. The situation is varied in this respect, but there exists a fairly large group of enterprises where the pay of the technical cadre is openly lower or out of proportion in relation to the average pay in the plant. The clear directives of the government to enterprises are meant to prevent this, but this does not exhaust the matter.

The existing system of remuneration of industrial cadres should be investigated, and model projects should be prepared for enterprises so that the results of engineers' work, particularly their degree of inventiveness, can be closely linked with remuneration.

Where enterprises and their internal organization and economics are concerned, we are facing a peculiar paradox. The reform has given enterprises considerable powers, and rightly gave them the ability to decide their development and their future. However, if we take a look at our economic publications and articles, we will see that publications on the macroeconomics of economic policy continue to predominate. This is necessary, but we also need to develop the external conditions for enterprises in such a way as to direct their activities toward the desired fields. The problem arises: Do enterprises correctly read the signals of economic policy? Does the entire enterprise have what it needs to make economic progress?

Those are the questions which should be answered by comrades who know about them. At today's meeting the Central Committees should deal with the results of consultations carried out after the Lodz meeting of the Central Committee. Members of the Central Committee have received reports on the results of consultations while the community learned of the results from TRYBUNA LUDU and other press organs.

Our party should take into consideration in its activity the views of the working class as contained in reports. On many issues views were divided, and if solutions become necessary we should refer the given problem to the work forces f consideration.

Comrades, next year work will continue on the plan for 1986-90 and for other years. Some comrades correctly pointed out that the plan for one year is too short to make greater alterations in the economy. We should see, however, that without good implementation of annual plans no long-term idea can be introduced.

At this meeting we are mainly dealing with the implementation of tasks for 1985, an important one because its results will constitute a starting point for the future. During 1985 many important issues for the working people will have to be decided. On the other hand, it is correct that work on the 5-year plan should be conducted in close cooperation with party branches and organizations, trade unions, socioeconomic organizations, and cooperatives.

We expect that the provisions of the 5-year plan will be submitted to social consultation and discussion. They should become an important factor in the election campaign for the Sejm of the Polish People's Republic. We think that the final draft of the 5-year plan should be examined by the party congress in 1986. This will provide an appropriate rank for the plan and will allow the entire party to speak on its concept and ways of implementation. We submit that the Central Committee should give full support to the 1985 plan and should appeal to the entire party for consistent implementation of tasks.

We expect that this great matter will meet with the active support of the working class, the peasants, the intelligentsia, and the working people who know that troubles are overcome through struggle, activity and work. [applause]

SEJM SESSION FOCUSES ON ECONOMIC ISSUES

LD272032 Warsaw Domestic Service in Polish 1800 GMT 27 Dec 84

[Report from unidentified Sejm reporter]

[Text] The Sejm has been in session for an hour. Wojciech Jaruzelski and Henryk Jablonski are present in the hall. The debate was opened by Deputy Marshal Zbigniew Gertych.

The deliberations started and Deputy Jan Kaminski took the floor. He proposed the draft budget for next year and the Sejm resolutions connected with it. Deputy Jan Kaminski recalled that the planned growth in national income next year will be 3-3.5 percent, growth in exports will be 7 percent, and growth in labor efficiency will be 3-3.5 percent. It is assumed that the population's purchasing power and the profitability of agriculture will be maintained.

The draft budget envisages a Z138 billion deficit. The deficit next year will be 3.5 percent of the budget. This year it was higher, equaling 3.8 percent. The budget deficit is influenced mostly by the subsidies on food prices and on social and cultural projects, so expenditure is accounted for mainly by state welfare projects.

The growth in national income will be obtained by raising the enterprises' income tax rate by 5 percent to 65 percent, as well as by introducing a security deposit on new building investments.

Local budgets and the assets of the people's councils at various levels will be balanced and, as has been described, will be sufficient to cover local needs.

This year the income from exports is 13 percent higher than expected. Next year cooperation with the CEMA countries will be deepened.

As for contacts with capitalist countries, the debt to the banks of those countries will not, as has been said, exceed $28.1 billion this year, so the situation will be better than planned.

According to the plan for next year, the surplus of exports over imports from capitalist countries will be $1.55 billion. The debt will total approximately $30 billion.

Credits will still be difficult to obtain, or even more difficult than this year. Generally, the amount of credits will increase by 10 percent, but for enterprises of the unsocialized economy they will increase by 14 percent. Most of these credits will be for the production needs of the agricultural economy and the construction industry.

Credit rates will be raised to 12 percent, but there will be discounts, for example for trade, agricultural and food enterprises, and the cooperatives of the handicapped and the blind.

This credit rate will amount to 9 percent. Loans to young married couples will have the interest raised from 6 to 9 percent.

Ladies and gentlemen, this is a very extensive and at the same time important document. You will be able to acquaint yourselves with it in tomorrow's papers in its entirety. I would like to add that Deputy Jan Kaminski said in his speech that the draft laws and plans under discussion were the subject of deliberations of Sejm commissions. Deputies in general came out in favor of the drafts being approved. In the draft budget law, a proposal was made to introduce new instruments of indirect influence on enterprises, including through investment securities. The deputies proposed limitation of subsidies to enterprises and a closer link between wages and increased productivity. The proposer, concluding his speech, appealed for approval of the Sejm commissions' report on the draft budget law for 1985 and draft resolutions on central financial plans.

After the speech by Deputy Jan Kaminski, a discussion began here in the Sejm.

Speakers Discuss Budget

LD280225 Warsaw Domestic Service in Polish 1900 GMT 27 Dec 84

[Text] Good evening ladies and gentlemen. Despite the late hour, the Sejm is in session. Today's session, I remind you, began at 1800 hours. Following the speech by Deputy Rapporteur Jan Kaminski, who presented the report of several Sejm commissions on the draft budget bill and the draft resolutions on the central financial plans for the coming year, a speech of which I talked an hour ago, the discussion began.

On behalf of the parliamentary PZPR, Jerzy Golaczynski from Jelenia Gora took the floor. He stated that the draft budget bill for next year and the drafts of the resolutions connected with it reflect the current socioeconomic situation in Poland. Despite a large number of positive phenomena, it continues to be a difficult one. This is due among other things to the excessive speed of wage increases and shortcomings in the area of investments. Nor has it proven possible to achieve the planned tempo of foreign exchange-free export, which considerably curtails opportunities to import. Presenting the draft budget for next year, Deputy Golaczynski stated that the planned level of budget income does not ensure financing for the necessary outlay. The deficit will be larger than it has been this year. This is the result of this year's proconsumption model for running the economy, which has aimed at a further improvement of the public's living standards and at extending economic protection to those groups of the population which find themselves in the most difficult economic circumstances. With this in mind, the speaker pointed out the need to support the steps the government has proposed to increase financial discipline in the economy.

Deputy Jerzy Grzybczak spoke on behalf of the parliamentary ZSL. He pointed out that the draft budget and drafts of particular resolutions presented, are realistic and are an aspiration to continually improve the economy [words indistinct] difficulties. The drafts create the essential material and legal bases for the promotion of initiative in all areas of our life. The efforts of workers and farmers, engineers and academics, will determine the results of these intentions. In order for our country to overcome more rapidly the obstacles to its development and further progress in the stabilization and normalization of life, progress in national accord and rebirth are necessary. Deputy Grzybczak stated that the parliamentary ZSL would vote for the acceptance of the draft budget bill and other resolutions under discussion, and would create conditions in which these resolutions can be implemented.

Ladies and gentlemen, the discussion is continuing.

Economy Offers Hope

LD280027 Warsaw Domestic Service in Polish 2300 GMT 27 Dec 84

[Excerpts] Our economy contains facts that give rise to hope although unfavorable phenomena continue to exist in various sectors. That is the most succinct summation of the Sejm budget debate that began on Thursday and which will resume on 28 December.

During the discussion it was stated that the expected implementation this year of the plan's general assumptions regarding the money-market situation should be noted with cautious satisfaction. It is disconcerting that wage increases still considerably outstrip achievements in work productivity, the effects of which are felt by all in the pricing sphere. The road to restoring equilibrium is still a long and difficult one, it was stressed at the plenary debate.

Gorywoda Addresses Session

LD281028 Warsaw Domestic Service in Polish 0900 GMT 28 Dec 84

[Text] We begin by going over to the Sejm building:

[Reporter] Good morning ladies and gentlemen, this is the Sejm studio. At 0900 the Sejm renewed its debate. Wojciech Jaruzelski and Henryk Jablonski are present in the auditorium. The session is being chaired by Deputy Marshal Piotr Stefanski. In view of the fact that the Sejm Presidium has received a document from the chairman of the Council of Ministers concerning the appointment of a minister to head the Office for the Advancement and Application of Science and Technology, the house supplemented the agenda with the filling of this post.

First to speak today was Deputy Premier Manfred Groywoda, chairman of the Planning Commission attached to the Council of Ministers. In his report on the implementation of the National Socioeconomic Plan for 1983-85, he stressed that we have made clear progress along the road to the restoration of the country's economic strength and living standards. A growth of production of up to 9.5 percent was envisaged during the first 2 years of the 3-year period, while the level of production this year will be 11 percent higher than in 1982. Supplies of food are higher than planned. Moreover, the increase in the national income over the past 2 years should achieve the minimum level of the tasks set for the overall 3-year period. This has been achieved despite external conditions, which have been worse than one could have foreseen 2 years ago. There is, Manfred Gorywoda stated, a perceptible improvement in productivity, consumption of materials, and the production of equipment. However, there has been an absence of progress in the area of quality. The process of restoring market and investment equilibrium as well as trade equilibrium with the capitalist countries is too slow. Manfred Gorywoda stated that a further curbing of the rate of inflation is envisaged next year. In view of this it is assumed that next year the growth rate in wages and other forms of income will be close to one-third lower; at the same time price rises will be disciplined. At the beginning of January the government intends to announce various proposals for increases in the prices of certain foodstuffs. This operation will be accompanied by a partial lifting of rationing. That is the end of this report from the Sejm.

ZHIVKOV SPEAKS AT ROMANIAN-BULGARIAN RALLY

AU201506 Bucharest Domestic Service in Romanian 0944 GMT 20 Dec 84

[Speech by Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council of the People's Republic of Bulgaria, at a mass rally of Romanian-Bulgarian friendship in Bucharest on 20 December occasioned by Todor Zhivkov's visit to Romania; in Bulgarian with simultaneous translation into Romanian -- live]

[Text] Esteemed Comrade Nicolae Ceausescu and dear comrades: On behalf of the delegation of the People's Republic of Bulgaria and on my own behalf, I express my most cordial thanks for the reception and warm hospitality offered to us during our stay in the SR of Romania. [cheers and chants]

We have felt attention, warmth, brotherliness, and cordiality everywhere -- in Bucharest and in the other localities we have visited, during all the meetings we have had with the Romanian Communists and working people -- and we feel it here, too, in this hall, at this impressive celebration of Bulgarian-Romanian friendship [applause]

We express our thanks for the beautiful statements about the BCP, our country, and our people voiced by the RCP secretary general and president of the SR of Romania, the prominent militant of the international communist and workers movement, and our friend, Comrade Nicolae Ceausescu. [cheers and chants]

Dear comrades, I am convinced that you are aware of the fact that the Bulgarian Communists and all the Bulgarian people harbour feelings of fraternal friendship and deep esteem for the Romanian Communists and the Romanian people. From this high rostrum, I want to state that we, the members of the Bulgarian party and state delegation, are satisfied with this visit to the SR of Romania, with both the talks we held and the results attained. These open up even broader prospects for developing our fruitful cooperation and for elevating to higher levels the friendship and relationship between our parties, countries, and peoples. [applause]

This could not be different, because we both have common targets, aspirations, and ideals. In developing our cooperation, we fulfill our patriotic and international duty as Bulgarian and Romanian Communists and as sons of our peoples. We fulfill our duty toward our forefathers who fought together for national and social liberation.

Comrades, as is well known, our friendship, the friendship between the Bulgarian and the Romanian peoples, is centuries old, rooted in the distant past, a past full of brilliant examples that cannot be forgotten since they are passed on from generation to generation. The Bulgarian people will always remember with gratitude that during the most difficult times in their history thousands of Bulgarian revolutionaries found shelter and assistance on the northern bank of the Danube River, on the hospitable Romanian soil. Our people will always vividly remember those sons of the Romanian people who, shoulder to shoulder, like the Russian soldiers, shed their blood for Bulgaria's liberation. [applause]

In our more recent history, in the difficult years of fierce class struggle for social liberation, the unity and international solidarity of the Romanian and Bulgarian revolutionary movements have become stronger. Since the two neighboring countries started to confidently build socialism 40 years have passed, years in which new, unprecedented possibilities for developing our relations of good-neighborliness in political, economic, and cultural fields have been discovered.

Along with the historical tradition and geographical proximity, we are also bound by the common socialist system, our adherence to the Warsaw Pact, and to CEMA. These are particularly important facts for the further expansion of cooperation between the People's Republic of Bulgaria and the SR of Romania. Our friendship and cooperation are developing according to the principles of Marxism-Leninism, of socialist internationalism, and are based on the 1970 Treaty of Friendship, Cooperation, and Mutual Assistance. Comrades, this indeed is a lasting and solid base. One of our joint achievements is that we make better use of the existing possibilities for deepening and expanding the multifaceted Bulgarian-Romanian relations. This gives us, and I am convinced it gives you too, particular satisfaction.

Links and joint activities between the BCP and the RCP are strengthening. Their role is decisive for deepening our relations and for implemeting the dreams and aspirations of many generations of Bulgarians and Romanians. Contacts between the parliaments and governments are active and fruitful, as well as those between the ministries, departments, and civic and mass organizations. During the talks we noted again with satisfaction that cooperation in the economic field is dynamically developing. In the course of three 5-year plans goods exchange has doubled. A number of agreements regarding cooperation and specialization in machine-building, electronics, electrical engineering, metallurgy, and chemistry are in the process of being implemented.

All this indeed constitutes a great achievement. On the banks of the Danube the Ruse-Giurgiu plant for heavy machinery and equipment has been erected. The necessary conditions have been created for drafting a long-term program on economic and scientific-technical cooperation up to 1990 and up to the year 2000 in certain fields, a program which I have signed together with Comrade Nicolae Ceausescu.

This program stipulates great tasks; this will be a new stage in developing Bulgarian-Romanian relations. We aim at achieving cooperation and production sharing. Undoubtedly, through joint efforts we will be able to implement this program. We rejoice at the extensive links and exchanges in the field of culture, science, sports, and tourism. However, in these fields, too, there still exist possibilities that have not been used. During our talks we agreed to act to expand and enrich these links, a fact that is of particular importance for the mutual understanding of the two peoples. Here, too, I would like to stress the tremendous role played by our meetings and talks at the highest level in constantly developing our relations. [applause]

In the past 20 years these meetings and talks have become a positive tradition. Speaking about our fruitful cooperation, I would like to stress my personal contribution and the contribution made by my friend, Comrade Nicolae Ceausescu, to deepening Bulgarian-Romanian friendship. [cheers, chants]

Our current talks have taken place in an atmosphere of friendship and cordiality and in a spirit of mutual understanding. We are fully entitled to state that these talks will give an impetus to further developing multifaceted cooperation between the two countries. This will contribute to strengthening the unity and cohesion of the socialist community -- the major revolutionary and decisive force of our time, the unvanquishable shield of socialism and peace in the world. [applause]

Dear Romanian friends, I want to assure you that the BCP and the Bulgarian people will do all they can to implement the decisions and understandings concluded. [applause]

Comrades, we clearly realize that we would not have been able to achieve extensive cooperation without certain objective preconditions and real possibilities. Each man of good faith is able to confirm that the socialist system has radically changed our two countries. Both today and during the other days within the framework of our present visit we were able to note and to again feel what present-day Socialist Romania represents, what excellent achievements have been registered under the leadership of the RCP by the people of the Romanian homeland. [applause]

We rejoice at your achievements. In rejoicing at your successes, permit me to once again wish -- from this rostrum -- new achievements to the Romanian Communists and to the Romanian people in their struggle to implement the tasks put forward by the 13th RCP Congress, as well as further successes in building the comprehensively developed socialist society in the SR of Romania. [cheers, chants]

I am convinced that you, too, are informed and are familiar with the achievements of socialist Bulgaria. Under the leadership of the BCP, the decisions of the 12th congress have been successfully implemented in an atmosphere of political and working elan. Our country has entered a decisive stage in building developed socialism. The program for general intensification of the economy is being implemented on a large scale by introducing the achievements of science and technology at a world level in order to make complete use of all reserves and to make maximal use of the leading experience in our country and abroad with a view to achieving the highest possible efficiency.

We pay particular attention to quality. This problem was discussed by the party national conference. We are carrying out a profound reform in the leadership of the national economy, the focus of which is the actual task of turning the working collective into a manager of the socialist property.

In recent years following the socialist revolution, the 40th anniversary of which we celebrated 3 months ago, great successes were registered in economy, science, agriculture, and in improving the people's living standard. All this is being achieved in the name of the constant and major goal of the BCP: concern for man, for constantly improving the standard of living and raising his cultural and intellectual level.

A plenary session of the BCP took place at the beginning of November this year devoted to current and future problems of our socioeconomic development in the light of the current international situation. The plenary session examined and approved program concepts and practical solutions on organically linking socialist construction to the scientific-technical revolution. These theoretical concepts and practical solutions are of exceptional importance for further building the developed socialist society in the People's Republic of Bulgaria.

We have set the task that beginning with 1985 we will begin preparations for the 13th party congress. As you see, comrades, a persevering activity is awaiting us, too, along with activity full of devotion. It is true, on our road we have had to overcome quite a few difficulties, and there will be difficulties in the future, as well, they are unavoidable. What is important and decisive is the fact that the BCP and all Bulgarian people are overcoming them successfully, thus demonstrating through facts their decisiveness to proceed with determination and unflinchingly toward the goals set. [applause]

Our achievements are the fruit of enthusiastic and devoted efforts by the working people in Bulgaria, they are the fruit of the correct Marxist-Leninist policy promoted by the BCP.

I know very well that this would not have been possible without the fraternal friendship and multifaceted cooperation with the Soviet Union and the other socialist community countries and without our active participation in the international socialist integration. Socialist Bulgaria's progress is inseparable from the progress of the world socialist system.

Here, too, I want to stress again the particular importance of the CEMA economic summit which was held in Moscow in June 1984. Now our countries have available a new and long-term strategy of action that is in keeping with the interests of each country and with the interests of socialism and peace. [applause]

Comrades, we do not live in an isolated life. Our development rate is influenced by the situation in the international arena. In examining the international situation we cannot help but note with particular concern that it is extremely tense and alarming. Tension has reached such a degree that it actually threatens the very existence of mankind. The cause for this situation is the policy promoted and actions taken by certain imperialist circles, primarily in the United States, which promote the arms race and confrontation and grossly interfere in the domestic affairs of certain sovereign countries, thus kindling old sources of tension and triggering off new ones.

Particular anxiety is caused by their attempts to violate the military-strategic balance established in Europe and in the world to achieve military superiority. The unhampered arms race, especially the nuclear arms race, provoked by those circles, and the deployment of new intermediate-range missiles in certain Western European countries and the designing of new systems of mass-destruction weaponry, and the plans for militarization of outer space, all these seriously undermine international relations.

These circles hope to modify the balance of forces in their favor through an arms race. These are, however, illusory hopes. Violating the parity in the military field can turn into a catastrophe for mankind. This is why our party, our government, and our state are doing all they can to contribute, together with the other fraternal socialist countries, to preventing the tendencies and attempts to violate this parity. The activation of revanchist forces and the encouragement of revanchism with obvious tendencies toward modifying postwar realities threaten peace and security in Europe.

More than once the countries in the socialist community have stated that the only rational and realistic alternative of the present-day world is the peaceful coexistence between states with different social systems. They have been and remain the supporters of continuing and deepening the general European process of detente on the basis of the Helsinki Final Act, the 10th anniversary of which will be marked next year.

This is why the struggle for peace and security is at this point a vital and most topical problem of our time -- our first concern and responsibility. We will continue consistent efforts to halt the arms race -- primarily the nuclear arms race -- and to solve all disputes between states by political and military means in the interest of peace and understanding among peoples. [applause]

The proposals included in the Prague Declaration of the Political Executive Committee of the Warsaw Pact member-countries in January 1983 and the proposals of the Moscow Joint Declaration of some party and state leaders from socialist countries in June 1983 serve these noble and very humane goals. Our countries have proposed the conclusion of an agreement on the nonuse of force and the maintenance of peaceful relations between the Warsaw Pact member-countries and the NATO member-countries, the freeing of the European Continent from chemical weapons, and a cutback on military expenditure.

The proposals made by the Soviet Union on completely and generally banning nuclear tests and the renunciation by each country possessing nuclear weapons to make first use of them are well known, as are those proposals on freezing nuclear weapons and using outer space solely for peaceful purposes and for the benefit of mankind.

All Soviet peace proposals, as well as the proposals made by the countries of the socialist community are of exceptional importance. The BCP, the Bulgarian state, and the Bulgarian people fully support them and actively work to promote them in international relations. At the same time, we hail all constructive proposals for peace made by certain countries or groups of countries.

The actions undertaken by the socialist community to prevent a nuclear war are directly linked to the strong peace movement that is taking place throughout the world. They are linked to the democratic and national liberation movements and to the struggle waged by the developing countries to strengthen their national independence. They justifiably see in our socialist countries a solid support. The struggle for peace is a common cause of the whole of progressive mankind. [applause]

Dear Romanian comrades, we are convinced that a positive change in the international situation is possible if one proceeds to serious and constructive negotiations based on the principles of equality and equal security.

We welcome the agreement on resuming Soviet-U.S. negotiations aimed at reaching mutually acceptable understandings on the entire complex of problems concerning nuclear and outer space weapons. The European peoples expect the Stockholm conference to conclude with results that can lead to reducing tension and the danger of military confrontation in the continent. This is also the goal of the proposals advanced by the socialist countries; through their nature and complexity, they meet the clear requirements for realigning international relations along the road of detente.

Our countries have also adopted a constructive position at the Geneva conference on disarmament, the Vienna negotiations, and other international forums. At the same time, being aware of existing dangers and of their responsibility for their own peoples and all peoples in the world, the Warsaw Pact member-countries are taking the necessary steps to ensure their security. The interests of our countries and of socialism are and will be defended.

Next year the socialist countries and all progressive mankind will celebrate the 40th anniversary of the victory over fascism. For 40 years mankind has been saved from the horrors of a new world military conflagration. The credit for this must be taken by all those who hold dear the ideals of international peace and understanding. The decisive merit for this great achievement enjoyed by all peoples devolves upon the socialist community and the Warsaw Pact. Our 30-year-old defensive organization is the main guarantee of preserving our historical victories and safeguarding peace in Europe and life on earth. In the name of this supreme imperative requirement, we will continue to consolidate our political and defensive alliance, which is a reliable barrier to aggressive plans by imperialism and a strong shield for our security and national independence and sovereignty. [applause]

We can be very pleased with the fact that there already exists a political decision by all Warsaw Pact member-countries concerning the extension of its term. At the same time I would like to restate that if NATO agrees to our proposals and will either dissolve itself or declare that it will dissolve, the Warsaw Pact will also cease to exist. This is our answer to the question: Does not the prolongation our defensive alliance conflict with our proposal to dismantle military blocs?

In the current serious international circumstances we will continue to do our best to consolidate the close unity, mutual interaction, and cohesion of socialist countries. [applause]

Comrades, the People's Republic of Bulgaria promotes a principled and consistent foreign policy, which is in accordance with the interests and aspirations of our people and serves the cause of peace and socialism. It makes a contribution to improving the political climate in the Balkans, Europe, and throughout the world.

Our country actively supports the struggle waged by peoples for national and social liberation and for democracy and social progress. We condemn aggressive attempts and any other interference by imperialist forces in various parts of the world. Middle East developments clearly prove that the peoples in the region have not consented and will never consent to the solutions imposed upon them. A true settlement of that problem requires that Israel withdraw from all the Arab territories occupied in the wake of the 1967 war, that an independent state, Palestine, then be created, and that the existence of all states in that area be guaranteed.

The People's Republic of Bulgaria supports the proposal on convening an international conference on the Middle East under the aegis of the UN with the participation of all interested countries, including the PLO.

Our peoples are in solidarity with the just struggle of peoples in Asia, Africa, and Latin America against imperialism, colonialism, neocolonialism, racist discrimination, and apartheid and for a free and independent development. We highly value the role and contribution of the nonaligned states, which have become an important factor for peace and cooperation in the world.

The People's Republic of Bulgaria has also advocated the establishment of equitable international economic relations on an equal footing. Of course, we also attach primary importance to consolidating peace and security in the Balkans. The policy promoted by Bulgaria in our peninsula is steady, principled, and constructive. Its major goal is to consolidate peace, good-neighborliness, and trust and extend cooperation among Balkan countries. The idea of turning the Balkans into a nuclear-free area is in accordance with our policy. We are actively engaged in attaining this noble goal. We favor further exchanges of views on this issue among Balkan countries in order to approximate our views and reach joint agreements. We have made known our desire to sign bilateral agreements with neighboring countries, agreements that should include a code of relations of good-neighborliness, renunciation of territorial claims, and the inadmissibility of using the territory of the contracting parties for hostile purposes and goals against each other.

The maintenance and consolidation of positive changes in the Balkans is our common achievement, asset, and future. Faithful to its consistent policy of peace, the People's Republic of Bulgaria will continue to work to develop and extend relations of good-neighborliness, trust, and cooperation with the Balkan countries.

Comrades, we sincerely thank you again for the warm and comradely hospitality and reception extended to us throughout our visit. We depart Romania with the conviction that our friendship and cooperation will further develop. This is a clearly-understood historical prerequisite deriving from our common goals and ideals. We will continue to march forward along the road chosen by our peoples, the road of socialism and communism. [cheers, chants]

Long live friendship and cooperation between the BCP and RCP, between the People's Republic of Bulgaria and the SR of Romania, and between the Bulgarian and Romanian peoples, and may they consolidate and flourish. [cheers, chants]

May the cohesion and action unity of countries in the socialist community, the shield of peace and socialism in the world, further consolidate. [cheers, chants]

Long live peace and communism. [cheers, chants]

CEAUSESCU, OLTEANU MEET WITH USSR'S KULIKOV

AU271912 Bucharest AGERPRES in English 1900 GMT 27 Dec 84

[Text] Bucharest, AGERPRES 27/12/1984 -- On December 27 Nicolae Ceausescu, RCP general secretary, president of Romania and supreme commander of the Armed Forces of the Socialist Republic of Romania, received the marshal of the Soviet Union, V.G. Kulikov, commander-in-chief of the Joint Armed Forces of the Warsaw Treaty participating states.

The interview was attended by Colonel-General Constantin Olteanu, member of the Executive Political Committee of the CC of the RCP, minister of national defence of Romania.

The guest thanked for having been received by President Nicolae Ceausescu and conveyed him warm greetings from Konstantin Chernenko, general secretary of the CC of the CPSU, chairman of the Presidium of the Supreme Soviet of the USSR, as well as from the members of the Political Bureau of the CC of the CPSU. He also addressed Nicolae Ceausescu cordial congratulations on his having been reelected general secretary of the Romanian Communist Party at the thirteenth party congress.

Nicolae Ceausescu thanked and requested that Konstantin Chernenko and the members of the Political Bureau of the CC of the CPSU be conveyed his warm salute and best wishes.

A talk was conducted on the occasion which passed in a warm, comradely atmosphere.

HUNGARIAN, GERMAN COUNCILS ENDORSE RCP POLICY

AU262040 Bucharest AGERPRES in English 1845 GMT 26 Dec 84

[Text] Bucharest AGERPRES 26/12/1984 -- The proceedings of the plenary meetings of the Councils of Working People of Magyar and German Nationality of Romania, democratic bodies under the Socialist Democracy and Unity Front, started in Bucharest on December 26.

The participants debated reports on the implementation of the resolutions of the Thirteenth RCP Congress, which is a fundamental task for all Romania's citizens, irrespective of nationality.

The reports read and the debates conducted expressed satisfaction at the exemplary, democratic and humanist way in which the national question was solved in Romania, at the fully equal rights the working people of Magyar, German and other nationalities enjoy in Romania.

The solid groundwork of this equality is the harmonious, balanced development of the production forces throughout the country, which has led to the flourishing of all counties, thus providing conditions for a strong development of education, culture and the arts in both Romanian and the languages of the nationalities. This policy, it was shown during the meetings in plenum, envisages not only rights but also the duty of each citizen, regardless of nationality, to make an active contribution to the country's general progress.

The ensurance of the right to education and of free schooling are relevant for the Romanian party and state's care for shaping the new man. In the current academic year, education of all grades enrolls more than 5.5 million children and youth, of which almost 300 thousand are Romanian citizens of Magyar nationality. The number of learning units throughout the country stands at over 29,000, of which more than 2,400 have tuition in Magyar. Equally relevant is the fact that pupils of other nationalities who attend schools with tuition in Romanian can also take optional courses in their mother tongue.

Romania, like no other country in which people of German nationality live, boasts a comprehensive learning system -- including units from kindergartens to lycees -- with tuition in German, a system in which this year over 45,000 children and pupils are enrolled.

There are 14 theatre companies performing in the languages of the nationalities and this year as many as 388 titles were brought out. There are also 52 newspapers and magazines in the languages of the nationalities, of which 32 -- with an annual number of copies of 83,568,000 -- are in Magyar.

Furthermore, central and local radio and television stations have broadcasts in the languages of the nationalities. The over 11,500 amateur artistic ensembles of the nationalities, including more than 225 thousand amateur artists, take part and are awarded prizes in the "Song of Romania" national festival. The continuous development and improvement of revolutionary worker democracy materializes in the participation of the working people of other nationalities, alongside the whole people in exercising political power, in running all areas of activity, all political, state, economic and social bodies. 37 of the 369 deputies to the Grand National Assembly are people of other nationalities. Of them, 29 are Magyars; of the 62,170 deputies to the county, municipal, town and communal people's councils 4,642 are of Magyar nationalities. As is known, the nationalities are represented to all the bodies of socialist democracy, in keeping with their share in the overall population.

The report debated in the plenary meeting of the Council of Working People of Magyar Nationality shows inter alia: For us Romanian citizens of Magyar nationality, just as for the whole party and people the way in which the national question was solved in Romania is a reason for legitimate pride, a proof of the superiority of socialism. We would be glad to learn that in other countries too the nationalities enjoyed at least the same rights they do in our homeland, that they were provided the same conditions of equality of rights, of plenary participation in the building of a dignified, just and free life, the way they are in the Socialist Republic of Romania.

Our people, the nationalities in Romania rejected and will reject resolutely any attempt of the reactionary, imperialist forces, of outside circles to undermine the unity, brotherhood, independence and sovereignty of Socialist Romania. We give a firm riposte to all nationalistic, chauvinistic, revisionist and revanchist outlooks and positions circulated by some imperialist circles, by the enemies of socialism.

A salient feature of the RCP's theoretical and practical outlook regarding the resolution of the national question is the idea that it falls within each state's sovereign, exclusive jurisdiction, that nobody, under no pretext may interfere in another country's domestic affairs. Therefore, as we do not come up with recipes and we do not teach lessons regarding a country's economic and social development, neither shall we be taught lessons regarding our home and foreign policy, or how to resolve the national question. The social and political forces of each country are entrusted with the mission to resolve their internal problems, to work for full equality -- both national and social -- in order to provide best development conditions for all citizens, according to the development level attained, to existing resources and possibilities.

In this spirit, all questions relating to our life, components of the development of Romania's social and political system, the national question included, are and shall further be solved by the Romanian Communist Party, by the Romanian state, with the materialist-dialectical revolutionary outlook, and scientific socialism as a solid foundation.

Our council shall steadfastly work for the consolidation of the unity and fraternity of all the homeland's sons, irrespective of nationality, for their growing participation in implementing the party policy, the resolutions of the Thirteenth Congress of the RCP.

The report read to the plenary meeting of the Council of Working People of German Nationality highlights: We have always said so, and we are saying so once again: The way in which Socialist Romania has resolved the national question is a model of scientific, high-principled and truly Marxist resolution of a fundamental social question. That is why we reject any outside interference, any attempt to fake truth in this respect. To us, who have been living and working here for centuries, Romania is the only possible homeland. The feelings of friendship and mutual respect between Romanian working people and working people of other nationalities, have been imparted a new dimension in the years of socialism, they are founded on a tradition born from the common work and struggle of those that have been living together in this land for centuries on end, contributing, shoulder to shoulder, to the promotion of our homeland's progress and civilization. Socialist Romania has never taught lessons to anybody and, in this respect, it observes the principle according to which the sovereignty of each national state is intangible.

Nevertheless, we cannot bear to be given advice, nor to be taught lessons by anybody as concerns the resolution of the national question, as we know that no such interference can serve fine relations among states. We wish each country to resolve its national question the way we resolved it, and we wish that everybody may enjoy the rights we, citizens of other nationalities, enjoy in Romania.

There have been some attempts by foreign reactionary circles to interfere with Romania's domestic affairs, to lure citizens of German nationality into leaving their homeland. The Council of Working People of German Nationality, all Romania's citizens who make up this nationality are in duty bound to take a resolute stand against devious plot.

We shall spare no effort and we shall show a lofty patriotic commitment in our work for the advancement of Socialist Romania on to further peaks of progress and civilisation, for the continual consolidation of its independence and sovereignty.

The participants in the two councils' plenary meetings adopted decisions regarding the questions debated and the tasks incumbent on the Council of Working People of Magyar Nationality and on the Council of Working People of German Nationality in implementing the resolutions of the Thirteenth RCP Congress.

DEFENSE MINISTER OLTEANU CABLES SFRY COUNTERPART

AU252040 Bucharest SCINTEIA in Romanian 22 Dec 84 p 5

[Text] On the occasion of the 43d anniversary of the Yugoslav People's Army, Colonel General Constantin Olteanu, minister of national defense of the SR of Romania, sent a congratulatory cable to Fleet Admiral Branko Mamula, federal secretary for national defense of the SFRY.

MAMULA INTERVIEWED BY VJESNIK FOR ARMY DAY

LD202222 Belgrade TANJUG Domestic Service in Serbo-Croatian 0635 GMT 19 Dec 84

[Questioners not identified by individual question]

[Text] Zagreb, 19 Dec (TANJUG) -- In Belgrade on 13 December Admiral of the Fleet Branko Mamula, federal secretary of national defense, received representatives of the VJESNIK editorial board: Milan Bekic, director of the work organization of newspaper publishing activity; Davor Sosic, VJESNIK chief and responsible editor; and military commentators Mile Ostojic, Mladen Paver, and Mirslav Lazanski.

On that occasion Admiral Branko Mamula gave VJESNIK an interview in connection with the Yugoslav People's Army (YPA) day this year.

The interview is as follows:

Question: Next spring Yugoslavia will be observing the 40th anniversary of socialist construction in peace. For millions of our contemporaries, however, aggression is still a reality.

Answer: At first sight your question appears to be controversial but in essence it is not. You begin by stressing the fact that next year we will be observing the 40th anniversary of the socialist construction in peacetime, but then you immediately follow with the statement that aggression is still a reality for millions of our contemporaries. I would like to expand this topic and stress that in a specific way, aggression is a reality now for all of mankind. This is not facetious word play but a reality in which, in the context of the facts of life, the notions of war and peace intermingle. What in fact is this all about?

According to present-day concepts, the notion of aggression is much wider than the conventional notion which considers exclusively its armed manifestation. Aggression and aggressive activities also embrace all other destructive actions and the conduct of factors in international relations which use not only weapons but also other means to shape the awareness of the opponent and to impose one's own will. Unfortunately, experience has shown that in addition to crude political and economic pressure and terrorism, virtually every means that has been developed by human brain can be used to this end. The reference here is mainly to the means of production, to scientific, technical, and technological inventions, culture, ideology, religion, and other products of human creative endeavor. This reality is no longer denied by anyone, but all those who are using these methods of aggressive activity are trying to conceal it; this is why illusions are created and the true picture of the situation clouded.

This is why the claim that we have had 40 years of peace and aggression simultaneously has been a fact that has essentially characterized our time may have a ring of controversy about it. It is true that we have not had a so-called great war of global proportions, but then it is also true that during this period of 40 years we have had two big "cold" wars. The second one is still gaining momemtum. Some well known doctrinaires in the West, who have a decisive say in shaping modern military doctrines, have been claiming publicly -- they leave no doubt whatsoever in practice -- that they are convinced that world war III started a long time ago. Of course, they are thinking precisely of this second aspect of the manifestation of force by so-called nonmilitary means, whose substance is in covert subversion mainly through methods of manipulation and infiltration, political and propaganda activity, and by imposing economic conditions, by establishing economic, technical and technological, and financial dependence on an overwhelming section of mankind on the centers of financial and technological power.

You will agree that we feel such pressure with ever-increasing intensity, especially in our current economic difficulties. The purpose of this indirect activity is reflected in the fact that economically strong powers are trying to achieve some of their objectives without the "hot" war or with a limited use of military power.

I have dwelled somewhat longer on this aspect of the so-called indirect aggression deliberately because it passes unobserved by many people precisely because it is camouflaged and because it is rationalized in many ways, especially politically and ideologically. It should not be inferred from what I have said that we are not paying special attention to armed aggression. This kind of aggression, armed aggression, the "hot" war, is unfortunately well known to us, because no major armed conflict on the old continent or one of world proportions, either a long time ago or more recently, could bypass our country.

This is why this 40-year period of relative peace appears to us to be a long one and we consider it as a true gift of history. For our society, the period of 40 years without a "hot" war signifies a really great victory both of our political and of our military strategy in this harsh world in which, as you said, armed aggression is a reality. Statistics show concincingly that the extent and the frequency of the application of crude military strength in present-day conditions are of such intensity that our time in this respect outrivals all previous periods of history. Since World War II, there have been over 100 limited and local wars and military interventions in various parts of the world. Some claim that there have been almost 500 and that about 25 million people have perished in them. The differences in the statistics on the number of wars, on which I do not insist, stem from the difference in approach in describing the events, and this provides additional proof of what we have been talking about, which is that the war as a social phenomenon is increasingly appearing and manifesting itself in indirect forms.

Question: Many countries, including Yugoslavia, are exposed to the so-called special war. What is your assessment of this form of aggression?

Answer: It should be said straight away that since the first day of its victorious exit from World War II and until the present day, our country has been exposed to the so-called special war. We are witnessing the fact that this form of aggression at this point of time is being intensified in our area, both through the activity of external and of internal enemy forces. We knew how and we have managed to resist such aggressive pressure. We are acquiring fresh experience daily and I believe that in the future we will be even more successful in this respect. Successful resistance to this external and domestic activity is of multiple significance: (1) n this way the achievements of our revolution are protected directly and the internal stability and cohesion of our society are ensured; (2) we step up the credibility of our ability to repel armed aggression; and (3) we intensify our overall defense-protection might and ability to conduct an national defense war if, after all, it is imposed on us. By resisting the special war and by preparing ourselves for a successful defense against armed agression, we have managed to eliminate all of the threats to the security of our country during the past 4 decades. As an experience, this fact is of topical and lasting strategic significance.

Accordingly, the period of 40 years of peace, which we will observe next year, is nobody's gift to us. We have won it through a consistent peaceful policy of nonalignment, with all its progressive substance, with our own strength, will, and the resolve of our nations and nationalities and of the working people and citizens of our country to defend our freedom and independence with all available material, manpower, and spiritual forces and resources. The pledge of this great -- I would say historic -- victory is found in the ideological unity, brotherhood, unity and equality of our nations and nationalities which is viewed as a great revolutionary achievement.

Comrade Tito stressed on several occasions that our nations and nationalities never spared any effort and sacrifice to provide the necessary conditions for a successful defense against aggression. In this connection, he stressed several times that experience demonstrates the rule that no country which, like our country, constantly concerns itself with self-defense has in fact been attacked.

Question: Some articles appearing in the world refer to the Balkans as a potential focal point of crisis as well. How do you view these suggestions?

Answer: From everything that I have said it transpires clearly that since World War II we have been constantly confronting dangers and challenges which, moreover, we are still doing now. In this respect, nothing has essentially changed. However, some circumstances, both the general ones and the social ones, are changing. Regardless of certain oscillations, international relations are developing within the framework of a permanent general crisis. In certain areas this crisis is more conspicuous than in others, which results in focal points of crisis, many of which grow into military conflicts.

The fact should not be concealed that, in the world view, the Balkans is a potential focal point of crisis. In this context some people mention our country as well. The forecasts about a possible crisis in Yugoslavia are linked with some of our internal contradictions, which objectively speaking do exist, but it is obvious that matters are exaggerated and, I would say, the calculations involving nationalism and dogmatic-bureaucratic statism, whether they are manifested as separatist or as unitarist, are excessive.

Of course, the LC, which carries the historic responsibility for the security of our country, is aware of these internal dangers but it is not overrating them. We will know how to resist these forces firmly, as indeed we have known what to do in the past.

We must not miss the obvious fact that the arms race is acquiring the kind of dimensions which are unprecedented in history (expenditure for armaments this year has gone up to $900 billion so far) and that the most up-to-date systems of very dangerous weapons are deployed in Europe and in our neighborhood, and that multilateral bloc forces are being introduced into and trained in the territories in some of our neighboring countries.

We know full well what, from the point of view of defense, the significance is of the revival of the strategic concepts of forward defense -- a matter increasingly written and spoken about in some scientific quarters abroad--and of various theories about a limited nuclear war in Europe materialized by the piling up of increasingly modern weapons on its territory.

Question: What is the general balance sheet for our defense efforts in 1984?

Answer: We must make serious preparations in order to respond to any possible form of threat to our security. Our society is investing great efforts in developing and consolidating national defense in the respect, it is particularly important for Armed Forces to successfully resist any aggressor and any kind of aggression. Our Armed Forces must be organized, equipped, and trained in such a way that in the very first battle, which modern military theories consider to be the decisive battle, we shall inflict upon the aggressor unacceptable losses and mobilize our million-man strong forces quickly to continue a prolonged exhausting war. Our defense, organized in this way, also acts as a deterrent.

Taking these goals as our starting point, in the past year we have made a new and major stride in building up the Armed Forces and preparing society, in both qualitative and quantative terms. There is for us no question of the false dilemma -- a mass Army or a modern one -- which is often the subject of professional military debates in the world and where the technical factor is made absolute in an uncritical way. For us, the optimum solution is the synthesis of all of these variables. In other words, we seek to make that section of the Armed Forces that serves a strategic purpose as modern as possible, while simultaneously having a multimillion strong Armed Forces which cover the entire territory of the country, with no empty operational areas.

To answer your question more directly, I can say that in 1984 we registered substantial successes in furthering the socialization of defense, and that by applying new planning methodology we have innovated and considerably improved plans for defense and plans for training and tuition of members of the Armed Forces and for preparing the population for defense and self-protection. The exercises and all other tests we have carried out have shown the results to be very good. The training of commands and headquarters in the troop training sector, as well as in schools and academies, has made progress. The active military personnel have had to exert exceptional efforts in training and assisting staff officers to carry out training and exercises of military personnel. Mass training of the population and of all structures outside the Armed Forces has made substantial progress, although at present we cannot give a high assessment of the results achieved, except in civil defense. Sociopolitical communities, sociopolitical organizations, and numerous other social organizations and organizations of associated labor will have to make greater, more systematic, and more persistent efforts to raise the overall level of civilian training even higher in the years ahead. On the whole, one may say that although the training plans have been somewhat reduced due to restricted funds, they have been successfully accomplished, and the combat readiness of the Armed Forces has been raised to a qualitatively higher level.

In the process of technical modernization, a number of modern technical systems have been introduced into weaponry, thereby bringing about a considerable increase in the combat potential of the Armed Forces, in terms of fire-power, flexibility and maneuverability, efficiency of technical and combat systems, and intelligence and reconnaissance systems, as well as in the system of mobilization, organization, and functioning of civil protection. We consider the greater coordination between defense plans of sociopolitical communities and basic organizations of associated labor and plans for the use of the Armed Forces achieved in the last year to be an important achievement.

I should certainly include among these important results the progress in developing our own military technology, which has a positive effect upon raising the technological level of the country as a whole. We must evaluate this achievement from the defense point of view, all the more so because we are aware that our country is to a considerable degree technologically dependent upon the more developed countries.

I spoke in greater detail about the specific results achieved this year in developing the Armed Forces when explaining the YPA budget for the year ahead in the SFRY Assembly. There is, therefore, no need for me to repeat this now. I would only state that the members of the Armed Forces have accomplished all the tasks that they were given this year, to the extent to which this depended upon them, which, of course, in no way means that more could not be better done.

I will conclude my answer to this question with the assertion that in accordance with the fundamental conceptual guideline for the country to defend itself with its entire capability, and thus with all of its economic, social, political, and cultural resources, this year we have strengthened our defense power not only by the value of the results achieved in the defense system itself, taken in the narrowest sense, but also by every step that our society has made in overcoming economic difficulties and other internal problems. You and your readers are familiar with the results in the development of society in the past year, so I shall not speak of these. I would only like to underline that the overall social development and the development of the defense system are mutually linked, and in many respects the one is conditional upon the other.

Question: What are the distinctive features of, and what is the most important aspect of, the debate on the draft conclusions of the 13th LCY Central Committee session in the LCY organization in the YPA?

Answer: The committee of the LCY organization in the YPA evaluated the activity and debates by Communists of the LCY organization in the YPA on the draft conclusions of the 13th LCY Central Committee session, at a recent session. This evaluation has been widely publicized.

I agree with the assessment that this activity has been very successful. I have been personally convinced of this by directly taking part in the debates in a number of Army environments. I would like to emphasize, however, that the activities will not end with these debates, but that in the next phase we shall strive to continue and further develop this fruitful activity, with the aim of gaining a more all-round view of all the dimensions of the problems raised in the debate, and of resolving them as effectively as possible.

As for the main characteristics of the debates which have been conducted on the conclusions of the 13th session, I could say that first and foremost Communists and all members of the Army have manifested unity and determination to engage without vacillation in preserving and further developing all the fundamental values of our revolution. Engagement means in this sense full support and active participation directed toward affirming the basic strategic orientations of our society's development, as laid down in the LCY program and in the SFRY Constitution.

Another vital aspect of the debates in question is the fact that they turned upon our problems in the Army that manifest themselves in practice. It should be said that in our environment these problems are not major ones, nor as pronounced as is the case in society, but they do exist. To a considerable degree they are the reflection of the general state of affairs and trends in society, but also are the result of our subjective weaknesses. Communists in the Army have perceived these problems and have demonstrated the will and determination to come to grips with them. There is no need to emphasize here that the criticisms were very frank and uncompromising, and, of course, well intentioned. This was not criticism of everything that exists, but criticism of those social weaknesses that truly represent an obstacle to our further development. The constructive nature of this debate can be seen first and foremost in the fact that men, officers, and civilians serving in the Army put forward a series of very useful suggestions for promoting the work and operation of the LCY organization in the YPA and of the LCY as a whole.

All in all, it can be said that the debate conducted in the LCY organization in the YPA has been markedly distinguished by its constructive critical discussion of the development path traversed and of the current situation in which we find outselves.

Very harsh criticisms were made, and reiterated more than once, as well as dissatisfaction with inefficiency, vacillation, and in some places opposition in implementing the democratically established orientations, guidelines, and congress decisions. This also relates to a number of problems in the functioning of the political system, delays in the development of self-management, and instances of opposition that manifest themselves in the implementation of the long-term economic stabilization program.

It has been demonstrated that the members of the Army comprehend and understand the difficulty of the conditions in which the stabilization program is being implemented, but do not accept hesitation and delays in resolving problems. When some vital issues remain without real answers, or when inadequate interpretations of the problems are given to the public, this creates a negative political disposition and this, of course, influences people's behavior. We underline this fact primarily because social problems, for which no clear prospects to resolve them effectively are given, affect society's morale. And this latter, as is known, is a deciding factor of our defense capacity. Communists in the Army, therefore, have a special interest in these problems being resolved more rapidly and effectively.

Finally, we may conclude that in the debates not only of Communists but also of all members of the Army, optimism predominated with regard to further social development and the LCY's revolutionary activity. Thus, alongside many criticisms and on occasions very harsh assessments, during the public debate there was confirmation of the conviction of Communists and members of the Army that our society, with the LC at its head, has the strength and potential to overcome the difficulties which have arisen. Vigorous opposition must be offered to faintheartedness, apathy, and carping criticism, which weaken that strength and faith in the future.

Question: What is the YPA doing and what is important, in the wider social context, to consolidate the unity of its members further and to strengthen its moral and political state?

Answer: This question is probably inspired by the difficulties which our country is experiencing today. I understand the motives and meaning of the question, and consider it to be justified, for the Yugoslav People's Army is neither outside society nor outside society's reality.

The moral and political state in the YPA, like morale in society as a whole, are not given and constant values. It is, therefore, a variable category. We consider that thanks to intensive work on ideological education and training of Army members we have maintained and further strengthened the Army's moral and political state, which finds its expression primarily in the unity and firmness of Army ranks, as well as in its popular and revolutionary character, which is being carefully cherished, developed, and deepened, and in the activities of Army members in sociopolitical organizations and communities.

Antiself-management, nationalist, and other damaging tendencies find hardly any important support among YPA members, and especially not among officers. I spoke in greater detail about this, too, in the SFRY Assembly, so I would only like to underline here that the Army's prestige in society comprises an important component of the moral and political state of the Army. This prestige remains as high in these circumstances as ever. This is an important achievement of our society, our Army, and our revolution. This represents a special political and moral value and we in the YPA are proud of it. We are aware of the responsibility that derives from this and that we bear. Such prestige is first and foremost maintained by the quality of the state of affairs in the YPA and by the attitude army members have toward society, toward society's problems and needs.

Question: What are the characteristics of the development of our military thought and practice of national defense in the last year?

Answer: Science and scientific advances are becoming an increasingly important factor in the development of national defense and of the Armed Forces. We are striving to base national defense and social self-protection upon the results of science, at all levels of social organization. We have, therefore, set in train the all-Yugoslav scientific research macroproject "Society's Preparedness for SFRY National Defense and Social Self-Protection." We have gathered together a large number of research workers and institutions from all the republics and provinces on this project.

We have established the following as our key tasks:

We must be organized in such a way as to be able to accept the results of world science and use them in our own defense contruction; with our scientific advances we must incorporate ourselves in the world division and exchange of knowledge in the military-scientific field; with our our own scientific advances in the area of warfare we must continue elaborating the national defense theory, our own original strategy and military skill and in so doing devise the ways and means of successfully defending ourselves against every aggressor and in the most serious event of war.

Over the past year we have carried out a thorough analysis of the path we traversed in the development of national defense and laid down the directions for its further long-term development.

In our efforts to carry out our authentic concept-doctrine stands as consistently as possible while bearing in mind the present military-political situation, the latest war experiences and technical-technological achievements in the development and equipping of modern armed forces, our military-scientific thought and practice will be channelled into devising new solutions in the field of further modernization, organization-formation improvement, and the method of use of our Armed Forces. Bearing in mind the changed general conditions of conducting a war and armed struggle, as well as the material possibilities of our society, it will be necessary during the process of the further modernization and development of YPA and of territorial defense to specify even more accurately the directions and the priorities in their organization and equipping in keeping with the intentions and tasks which they have in the armed struggle.

To ensure that both components of our unified Armed Forces function as efficiently as possible, we are paying special attention to devising even more favorable solutions in the leadership and command system. Here I am thinking primarily of the need more fully to unify the leadership and the command in the conduct of the armed struggle and of other forms of national resistance on the front, in temporarily occupied territory and in our own rear, both on individual scenes of battle and in our entire overall area.

The next major problem that drew our attention concerns the question of the defense of our cities and other inhabited areas. I would like to recall the fact that many conditions, particularly demographic ones, have essentially changed. Out of 28,000 settlements in the SFRY, over 11 million inhabitants live in 70 cities and about 500 suburban settlements. About 7 million inhabitants live in the capitals of the socialist republics and socialist autonomous provinces. To put it another way: About 50 percent of the total number of employees in our country live and work in 28 major cities in Yugoslavia. The cities, especially the large ones, represent political, economic and cultural centers of sociopolitical communities. Important industrial, energy, military, information, transport, cultural, and other objects, production and repair capacities, communication centers, commercial outlets, warehouses, health, educational and many other public institutions are in them or in the areas immediately surrounding.

Bearing in mind the fact that enormous manpower and material potentials of the country are concentrated in the cities and also the fact that especially major cities are sited along very important operational-strategic lines of communications, it is obvious that we must pay considerably more attention to the problems associated with the city defense preparations and to their even fuller inclusion in our overall defense system.

On the other hand, the concentration of the population, material, and other potentials in the cities has produced a situation where some parts of our area have become virtually empty which is unfavorable from the defense point of view. Here I am thinking mainly of hilly and mountainous areas and of an important part of our islands and of our coast. This is another problem which we have to resolve together much faster and more efficiently in the future.

This deployment of manpower and material potential, including material reserves, has an unfavorable impact not only on the armed struggle but also on the mobilization system.

When studying and analyzing the questions in connection with the preparation and sorting out of our territory for all people's defense requirements we noted that in this area, too, we must make additional efforts in cooperation with sociopolitical communities, especially regarding unified planning and building of a complete infrastructure of the Armed Forces and society for the requirements of the armed struggle and for all other national defense war requirements.

In the technical-technological area in the past years we have been attaining results which are of world standard. In this respect our prospects are even more favorable and we continue to develop our scientific and research capacities in this field of science according to our plans. The importance of this orientation and of these results is manifold. I would like to mention only two aspects: First, on the basis of our own technology we are creating the necessary conditions to conduct the national defense war with our own resources which is one of the guarantees of our independent position in international relations. Second, the development of military technology, as I have said, contributes to raising the level of technological development of our country as a whole.

Question: People with all their intellectual and material possibilities remain the strongest weapon of our defense. What is the scope provided by the manner of leadership and relations in the Army for the creative role of men and officers?

Answer: We based our defense-self-protection concept on Tito's concept of man as the basic and decisive factor of war and armed struggle. Our experiences in the national liberation war and modern wars have confirmed that even the armed forces of an aggressor equipped with the most modern weapons are not in a position to defeat the nation which is well organized, prepared, motivated, and resolved and which has military equipment and all other material at its disposal and the manpower potential to resist the aggressor. However, we do not consider the man as a factor of national defense war in isolation and independently from other war factors. We always bear in mind the dialectic relationship between the man and the weapons and the man and the equipment and technology at the present time and in this specific and united Yugoslav area.

Question: Can you say something about the leadership and command system in our Armed Forces?

Answer: The role of the leadership and command system and of the relations established within it must also be considered in this dialectical context of the basic factors of war: the men, military equipment, area, and time. In all our doctrinal solutions we ensure the unity of the leadership and command of our Armed Forces in armed struggle and the unification of the efforts of all the forces of struggle and resistance on the entire Yugoslav scene of war.

The leadership and command system in the YPA is based on one-officer command and subordination which is the indispensable condition for the successful functioning of military organization, but also on full initiative, creative endeavor, responsibility of every individual and collective, respect for each person, comradeship, solidarity, and all other values of our self-management socialist society.

The one-officer command and subordination relations in our Army are not an obstacle to the comprehensive development and fulfillment of the personality of the men and officers. On the contrary, our efforts are directed so that the creative capabilities of every YPA member can be manifested as much as possible. We are doing this for two basic reasons: First, because this is in keeping with the general and self-management position and role of the working people and citizens in our society and, second, because this is the essential condition regarding the implementation of the national defense and social self-protection concept.

The possibilities of fulfilling creative abilities and personalities of our Army's members are many and diverse. There are a number of organized institutions in YPA units and institutions which not only make possible but in fact demand full initiative to be displayed by the officers and the men. Here I am thinking mainly of cadre councils; military collectives and their meetings; of self-protection, order, and discipline councils; and cultural activity councils: the council for scientific work in our Armed Forces and its bodies, the councils for individual areas of science, of councils and committees in military schools, and of others.

In saying this I do not wish to imply that there are no shortcomings in this area in the life and work of individual military collectives and that the conditions for even fuller fulfillment of the creative endeavor of the men cannot be further improved in the YPA. Our efforts are directed precisely in this direction.

Question: What is your assessment of the experience of doing military service between the ages of 18 and 19?

Answer: I would like to point in the first place to the sociopolitical and physical-psychological significance and advantage of doing one's military service and of living in organized military collectives between the ages of 18 and 19, that is to say before embarking on faculty studies or taking up work in one's chosen profession. With this method of doing one's military service the YPA has taken on major educational and training responsibilities, aware that some difficulties are implicit in the system. Young people without life's experience and especially without the experience of being independent outside the family circle, are looking for an appropriate relationship vis-a-vis their officers and collectives. It has not been possible to establish this relationship fully at all levels, especially the lowest ones, which happen to be the most important ones for the men within the overall military hierarchy, especially during the first years. Every year the state of the attitude regarding education and training gets better and the officers, the LCY, the Federation of Socialist Youth, and the military collectives are increasingly pressing for it. In view of intensified efforts for more responsible treatment of young men, I think that during the past 3 to 4 years there has been a better reciprocal understanding for the personal characteristics and views of the young generations of men and officers, and also an overall improvement in relations within the YPA.

In this connection it would be very useful if the Federation of Socialist Youth organizations in our society were just a little more concerned with preparing the young people for their service in the YPA and their experience after their return from the Army. This would help this entire question to be considered in a more comprehensive way and make it possible for us to devise even better forms of easier and faster adaption and active participation of young people in army life and work.

I would like to say something in connection with reducing the length of military service. We are about to end the discussion of this question and the quest for appropriate solutions. In so doing we took into account the maintenance of the combat-preparedness of the YPA in the new conditions. At the same time measures were taken to socialise national defense business further, especially regarding recruitment and bringing the Armed Forces up to strength. In doing that we made the assessment that conditions have been created where a substantial part of this business could and should be taken over by appropriate organs of sociopolitical communities, of course, with our cooperation and professional help. We are also taking concrete measures so that in the years ahead we can increase the YPA complement with the necessary number of men whom we intend to take on for extended and paid-for work after they have served their military service. Here I am thinking primarily of those work posts relative to the combat systems where the 4 to 5 months available for training out of a total of 12 months military service is not adequate. It also would be necessary to modernize some traditionally military positions such as guard duty service and security service and make them technically and organizationally more modern, linking them with all other military duties carried out in barracks and in garrisons, and in social self-protection, especially in detached buildings. The process has already begun and we shall speed it up next year.

Question: In view of the well-known stabilization restrictions, how are the further development and technical modernization of the YPA proceeding?

Answer: As I stressed at the beginning, the threat to our security stemming from the complex international situation and the demands of modern war imperatively demand that technical modernization of our Armed Forces must be our unceasing concern. The results attained on this plane in 1984 are well above what the approved budget resources made possible for us. The knowledge that extreme efforts have to be made not to lag behind in weaponry and the overall defense preparations by our Armed Forces and our country was of great importance and had a big impact on the attained results. What I want to say is that we have done everything that an overwhelming majority of our citizens have done and especially members of our working class, which is to attain the best possible results in restricted possibilities. Although these results are considerable we believe it would be wrong and dangerous if in view of the current conditions surrounding us it should be inferred that we have resolved all our tasks, particularly those concerning technical modernization, and that we have achieved the readiness for which we had planned.

Technical modernization is a lasting process constantly accelerated by a dynamic technical and technological development. This is why our society will have to put aside more money for our defense and we in the Armed Forces will have to make greater efforts so as to make full use of all potential opportunities. The replacement of combat equipment has begun in our country. Most of this equipment is second generation and some of it is even first generation equipment: equipment obtained during the war or during the immediate postwar period. Previously, we were able to obtain equipment at much more favorable prices and in conditions when the money set aside in the budget was more. The real prices of basic combat equipment trebled from one to the other technical generation, and as much as quintupled in the case of the most sophisticated weapons systems. It is impossible to reduce the equipment held in combat units to that extent and leave them efficient and approximately equal to the power of adequate enemy structures.

To a certain extent we are easing the difficulties in the YPA technical modernization because of the stabilization restrictions through better organization, rationalization of operations, and strict establishment of priorities and results, which we are obtaining in the development of our military economic and scientific-technical cooperation with foreign countries, especially regarding our exports. The degree to which our imports are covered by the export of weapons and military equipment, not including military engineering, amounts to 122 percent; with military engineering the foreign currency effect of our exports is three times as high as our imports.

It should be emphasized that the basic objectives of modernizing the YPA and supplying it with equipment are being carried out primarily on the research-development and production possibilities of our country. Our public is already aware that about 90 percent of the armament resources and systems and of the military equipment manufactured in our country today are the result of our own research and development and that in the implementation of the research-development program we are successfully involving associated labor at the Yugoslav federal level. Since 1981 more than 100 new weapons resources and systems and military equipment items have been developed and their flow-line production has been mastered. Among them are very sophisticated modern systems such as aircraft, helicopters, tanks, missile systems, complex electronic installations, and others.

Question: Comrade Tito attached paramount importance to the military cadre. How is the YPA ensuring the continuity of such cadre policy?

Answer: First of all I would like to stress that the officer cadre of our Army is of a high moral-political, professional, and work quality level, ideopolitically orientated toward the LCY policy and brought up in the spirit of the revolutionary thought and achievements of Comrade Tito. Virtually all active service officers are LCY members. All this is the result of the constant concern which the LCY leadership and command and organization organs in the YPA devote to bringing up the cadres.

In officer training our aim is that through regular schooling and permanent education, in addition to their work, they should acquire a high military, technical, sociopolitical, and general standard of education. This is the condition that will allow the officers with their overall abilities to respond successfully to the major commitments and complex tasks of educating the younger generations and commanding the units in peace and wartime. Our overall very well developed system of military schooling is unceasingly being adapted to these requirements. The planned innovations in the training system in the schools have started and they show that we are on the right road, although we shall be able to measure the actual results only in a few years time, when they are tested in practice. This means, therefore, that we are taking care that the officers should acquire a broadly based general education and also top level professional and specialized knowledge for the concrete duties and business which they discharge. For practical purposes this means that an officer must be a specialist, depending on his branch or service, but on the basis of a broad culture and general education.

Although we attained good results in cadre policy, especially in the area of planned and long-term securing of the necessary cadre numbers and profiles, we still have not managed to obtain a satisfactory quota of candidates for military schools from some of our nations and nationalities and from some republics and provinces. This is then reflected at the grass-root levels of the officer cadre. This is why, together with appropriate organs in our society, we must make intensified efforts to secure a more even national structure of these candidates. We take the view that to a far greater extent than hitherto this should be a general social concern.

Although in the YPA today only 2 percent of the officer cadre are war veterans, it is encouraging that during the entire postwar period we have gone through the generation change continuously and very successfully. The postwar generations are in every respect up to their role and tasks and possess all of the essential qualities of the generations that were maturing and that were tempered during the national liberation war. In this sense, it can be said that the continuity in the buildup of a revolutionary cadre has been secured.

KOSOVO DELEGATION WITHDRAWS BUDGET RESERVATION

LD271447 Belgrade TANJUG Domestic Service in Serbo-Croatian 1208 GMT 27 Dec 84

[Text] [no dateline as received] Agreement was reached in the Committee for Finance of the Chamber of the Republics and Provinces today on next year's federal budget which will amount to 609.5 billion dinars. The Kovoso delegation withdrew its objection to the draft law on total federal budget expenditure with the proviso that in adopting the budget, the Chamber of the Republics and Provinces should also adopt a special annex to it. The annex specifies that by the end of the first quarter of 1985 the Federal Executive Council, in cooperation with organs in Kosovo, will analyze the problems of financing the general social and joint needs in the province and proceeding from the Kosovo Assembly's proposal, will propose the appropriate solutions.

Now that the total amount of the budget has been established, all that remains to be done is for the committee for the budget of the Federal Chamber to express its view on the structure and division of budget funds. After that the federal budget for next year will be adopted at the session of the Federal Chamber.

ASSEMBLY ADOPTS SOCIAL COMPACT ON EMPLOYMENT

LD271451 Belgrade TANJUG in English 1313 GMT 27 Dec 84

[Text] Belgrade, December 27 (TANJUG) -- The Yugoslav Assembly Federal Chamber today adopted a social compact on employment envisaging a gradual solution to the unemployment problem by 1995.

The compact sets out that by the introduction of shift work, investments in small-scale economies, productive employment and training courses for new jobs, the growth of unemployment in Yugoslavia will be halted by the end of 1985. If the plan is achieved, 290,000 Yugoslavs will start working in their first jobs next year.

The second phase of the compact envisages the maintenance of the annual rate of employment at 2.5 percent thus providing jobs for 3.2 million Yugoslavs by 1995.

The compact was supported as feasible at the Yugoslav Committee for Labour Health and Social Welfare meeting yesterday.

TRADE UNION OFFICIAL ON ECONOMIC PRIORITIES

LD272146 Belgrade TANJUG in English 1233 GMT 27 Dec 84

[Text] Belgrade, December 27 (TANJUG) -- The up-grading of production, the increasing of exports and the halting of inflation continue the priorities in the economic policy of Yugoslavia in 1985, Dusan Bogdanov, council president of the Confederation of the Yugoslav Trade Unions, set out in an interview to the Yugoslav trade union paper RAD.

Bogdanov added that the maintenance of real personal incomes of the employed will also be one of the most important goals of the country's economic policy in 1985.

In keeping with the long-term economic stabilization programme, a decisive factor in surmounting economic difficulties in the country will continue workers' self-management association and cooperation in the Yugoslav economic area as a whole, said Bogdanov.

Referring to the work of the Yugoslav trade unions Bogdanov stated the conviction that the organization should in future take a firmer stand and be more persistent in strengthening the workers' role in self-management and delegate decision-making in the country.

Bogdanov said that on January 23, 1985, the Council of the Confederation of the Yugoslav Trade Unions will convene a formal session on the occasion of the foundation of the joint trade union organization of Yugoslavia and stressed that the anniversary should represent an additional incentive to the implementation of the long-term economic stabilization programme.

UN ENVOY COMMENTS ON GENERAL ASSEMBLY SESSION

LD281019 Belgrade TANJUG in English 0956 GMT 28 Dec 84

[Text] New York, Dec 28 (TANJUG) -- Yugoslav permanent representative at the United Nations Ignac Golob has told the Yugoslav daily BORBA that the so-termed "major topics" might be withdrawn from the United Nations, which would then be turned into a debate club instead of being the venue of making final decisions.

This is why the nonaligned countries, said Golob, focus their activities on preventing any such development from taking place in the future.

In reviewing the U.N. activities following the 39th General Assembly session, the Yugoslav representative pointed out that the atmosphere of understanding and the absence of polemics characterized the proceedings of the General Assembly last autumn. "We have been aware that in the current situation nothing but small steps ahead are possible, then again, at times, the steps were not as small as that," said he. Golob added that, observed from the U.N. angle, the world this year has been most keenly interested in peace and disarmament.